

CABINET 2 FEBRUARY 2005

GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMMES FOR THE FINANCIAL YEAR 2005/06**1. INTRODUCTION**

- 1.1. This report sets out the draft General Fund revenue and capital budgets for the financial year 2005/06 for the Cabinet to consider and make recommendations to the Council on the council tax. The recommendations of the Cabinet will be considered by the Council at the meeting on 23 February 2005.
- # 1.2 The General Fund Forecast for 2005/06 to 2008/09, shown in Appendix 1 to this report, includes all Expenditure Plan proposals previously considered by the Cabinet as well as some new proposals
- 1.3 Although there will be no further opportunity for Review Panels to consider new proposals included within this report, Members will be able to raise issues at the meeting of the Council on 23 February.

2. LOCAL GOVERNMENT FINANCE SETTLEMENT 2005/06

- 2.1 The provisional settlement shows Total External Grant of £9.540m and a Formula Spending Share of £22.571m. Details of the final settlement are not anticipated to be received before the Cabinet meeting. Members will be updated orally at the Council meeting.

3. GENERAL FUND REVENUE BUDGET FOR 2005/06

- # 3.1 The draft General Fund Revenue budget for 2005/06, as shown in Appendix 1, amounts to £19.455 million. This is a net growth of £0.796 million or 4.27% over the original approved budget of £18.659 million for 2004/05.
- 3.2 This includes the following main provisions:

	£000's
Expenditure Plan Bids	1585
Expenditure Plan Savings and Additional Income	-2236
Inflation	741
Increased Capital Financing Provision	535
Reduction in Investment Income	60

- 3.3. The General Fund Housing Service estimates allow for site licence fees and service charges for Stillwater Park to be increased by 3.0%, which is in line with inflation. This generates additional income of £2,900.

4. GENERAL FUND – REVIEW PANEL / COMMITTEE COMMENTS

- 4.1 Environment Review Panel commented that they wished to see the recently notified Waste Performance and Efficiency Grant retained within the Environment Portfolio and allocated for spending on the expansion of recycling initiatives that have already been identified.
- 4.2 Economy and Planning Review Panel expressed support for the proposed reinstatement of the Historic Buildings Grant budget, as detailed in paragraph 5.3 of this report.

5. GENERAL FUND – ADDITIONAL ITEMS

- 5.1 Since the January meeting of the Cabinet, a number of additional variations to the proposed budget have been identified; these are summarised below. Although the forecast budget position includes these bids, other than the Recycling Grant issue, they have not been referred to the appropriate Review Panels for consideration and comment:
- 5.2 **Benefits Administration (-£6,400)**
The Council has recently received notification of the level of benefits administration grant that it will receive in 2005/06. The grant level is £6,400 greater than had previously been assumed in the expenditure plans.
- 5.3 **Historic Buildings Grant (£15,000)**
The January Cabinet report included a saving of £20,000 through the deletion of the Historic Buildings Grant budget. It is now proposed to reinstate £15,000 of this budget, having reassessed the likely demand for the service.
- 5.4 **Communications (£10,000)**
The January Cabinet report included a target saving of £25,000 from the Communications budget. It is now proposed to revise the target to £15,000, to reduce the impact on service delivery.
- 5.5 **Recycling Grant (-£55,670)**
The Council has received notification that it is to receive Waste Performance and Efficiency Grant of £55,670 in 2005/06. Its purpose is to support waste reduction and to increase recycling and diversion from landfill, but it is not ringfenced.
- 5.6 **Recycling Initiatives (£15,000)**
Funding of £15,000 is proposed, to expand the network of local recycling sites and further develop promotion of recycling schemes within the District.
- 5.7 **Environmental Health (£15,000)**
The Health and Social Inclusion Portfolio had previously identified savings of £26,000 from the downgrading of two Senior Environmental Health Officer posts. Following recent notification of changes to inspections requirements/targets, the level of staff input to the service has been further reviewed. The savings achievable have therefore been reduced by £15,000 to £11,000 in 2005/06, increasing to annual savings of £16,000 from 2006/07 onwards.

5.8 Rent Rebates (- £15,000)

Improved performance on recovery of rent rebates overpayments is anticipated to reduce the net cost of rent rebates by £15,000.

5.9 Inflation/Miscellaneous (-£18,620)

The expenditure plans included £760k as an estimate for inflationary increases. Following the completion of the full detailed estimates, savings of £18,620 have been identified in actual inflation and net other minor budget variations.

6. COUNCIL TAX INCREASE

- # 6.1 Based on the budget shown in Appendix 1 to this report, a Council Tax of £137.21 at Band D level will be required for 2005/06. This represents a 4.79% increase over the current year's Band D Council Tax level of £130.94.

7. CAPITAL PROGRAMME

- 7.1 A detailed capital expenditure programme was considered by Cabinet on 3 November 2004 and an updated summary totalling £9.961m for 2005/06 was presented on 5 January 2005 (Report B). The programme has been further updated to now show a gross programme of £13.483m, an increase of £3.522m. The reasons for the increase are set out in the following paragraphs and the updated summary is shown in Appendix 2.
- 7.2 The financial monitoring report elsewhere on this agenda identifies rephasing of expenditure totalling £2.302m from 2004/05, of which £2.237m will now be incurred in 2005/06 and £65k in 2006/07. A breakdown of the schemes making up the rephasing is set out in the monitoring report. Of the schemes being rephased into 2005/06, £91k had already been allowed for in the January expenditure plans report to Cabinet, leaving an increase of £2.146m being reflected in this report.
- 7.3 A report elsewhere on this agenda considers the financing method to be used to fund future non ICT capital equipment purchases, such as vehicles and major leisure equipment. It has been assumed in this report that the recommendation will be agreed and the capital programme has been increased by £1.376m to reflect the value of equipment to be funded by loan rather than leasing.

8. CAPITAL PROGRAMME – PANEL / COMMITTEE COMMENTS

- 8.1 At the time of writing this report, there are no comments from Review Panels / Committees.

9. ENVIRONMENTAL AND CRIME AND DISORDER IMPLICATIONS

- 9.1 There are no environmental or crime and disorder implications arising directly from this report.

10. EMPLOYEE SIDE COMMENTS

10.1 These will be reported orally at the meeting of the Cabinet.

11. RECOMMENDATIONS

11.1 It is recommended that Cabinet:-

11.1.1 give consideration to the comments of the Review Panels outlined within this report.

11.1.2 approve the additional expenditure plan items listed in Section 5 of this report;

11.1.3 recommend to Council that the General Fund budget for 2005/06 be set at £19.455m

11.1.4 recommend to Council that the Council tax be agreed at £137.21 for a Band D property for 2005/06.

11.1.5 recommend to Council that site licence fees and service charges at Stillwater Park be increased by 3.0%.

11.1.6 recommend to Council that the Capital Programme for 2005/06 be agreed as £13.483m.

For further information contact:

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Background Papers:

Report B Cabinet 3/11/04
Report B Cabinet 5/1/05

NEW FOREST DISTRICT COUNCIL
DRAFT GENERAL FUND FORECAST 2005/06 TO 2008/09

24/01/05	2004/05	2005/06	2006/07	2007/08	2008/09
	£000	£000	£000	£000	£000
Net Portfolio Requirements	19948	18659	19455	21313	22458
Est. Inflation (salary related)		580	600	620	640
Other Inflation		161	190	190	200
Sub Total (A)	19948	19400	20245	22123	23298
Capital Financing Provision	245	535	-100		
Sub Total (B)	20193	19935	20145	22123	23298
Less Interest on Balances(net)	-1170	60	260	200	150
Sub Total (C)	19023	19995	20405	22323	23448
Transfer From MRP/Reg157	-252	111	141		
Budget Requirements Total (D)	18771	20106	20546	22323	23448
Add Expenditure Plan Bids					
Finance & Support	0	525	491	183	0
Crime & Disorder	0	75	0	0	0
Economy & Planning	0	291	69	-81	-85
Environment	0	207	126	73	-50
Health & Social Inclusion	0	32	0	0	0
Housing	0	7	2	2	2
Leisure	0	213	19	-13	32
General Purposes & Licensing Committee	0	102	27	0	0
Planning Development Control Committee	0	134	0	-25	0
Standards Committee	0	0	0	0	0
Sub Total Bids	0	1585	733	139	-101
Deduct Expenditure Plan Savings					
Finance & Support	0	-585	-69	0	0
Crime & Disorder	0	-15	0	10	-10
Economy & Planning	0	-549	-4	0	-11
Environment	0	-241	53	8	0
Health & Social Inclusion	0	-19	-5	0	0
Housing	0	-70	-9	-9	-9
Leisure	0	-530	13	-13	-19
General Purposes & Licensing Committee	0	-47	-5	0	0
Planning Development Control Committee	0	-180	60	0	0
Standards Committee	0	0	0	0	0
Sub Total Savings	0	-2236	34	-5	-49
Transfer from Commercial Services	-112				
Forecast Budget Requirements Total (E)	18659	19455	21313	22458	23298
Transfer to/from(-) Reserves					
Budget Required after Reserve Transfer	18659	19455	21313	22458	23298

FINANCED

Collection Fund /RSG/ NDR	9455	9722	9865	10010	10158
Council Tax	9204	9733	11448	12447	13140
	18659	19455	21313	22458	23298
Council Tax	130.94	137.21	161.09	174.81	184.19
Council Tax Increase		4.79	17.40	8.52	5.36

NEW FOREST DISTRICT COUNCIL
CAPITAL EXPENDITURE
SUMMARY AND RESOURCES 2004/05 TO 2008/09

APPENDIX 2

Date Prepared :-

24-Jan-05

ESTIMATED EXPENDITURE	2004/05 £'000	2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000	Total £'000
Finance & Support	994	198	230	230	-	1,652
Finance & Support - Non ICT Equipment	1,218	1,376	1,328	1,118	1,053	6,093
Crime & Disorder	33	-	-	-	-	33
Environment - General	246	281	190	200	10	927
Environment - Coast Prot / Land Drainage	991	1,608	8,077	11,948	1,398	24,022
Economy & Planning	193	581	65	-	-	839
Housing	5,522	8,928	7,200	7,200	6,740	35,590
Leisure - General	1,831	502	226	170	66	2,795
Leisure - Developers' Contributions	1,509	9	9	-	-	1,527
TOTALS	12,537	13,483	17,325	20,866	9,267	73,478

PROPOSED FINANCING

Major Repairs Subsidy	3,140	3,297	3,297	3,297	3,297	16,328
Revenue Provision HRA	484	1,503	1,453	1,453	1,453	6,346
Grants & Other Contributions	240	240	240	240	240	1,200
Usable Capital Receipts	1,567	3,797	2,119	2,119	1,659	11,261
Revenue Provis. (Gen. Fund. 2nd Homes)	91	91	91	91	91	455
TOTAL HOUSING RESOURCES	5,522	8,928	7,200	7,200	6,740	35,590
Grants & Other Contributions	1,464	1,643	7,909	12,160	1,381	24,557
Developers' Contributions	1,543	324	9	-	-	1,876
Revenue Provision (Gen. Fund.)	154	689	589	589	589	2,610
Usable Capital Receipts	-	240	17	17	16	290
Loan	1,218	1,376	1,328	1,118	1,053	6,093
Advance Grant re Coast P and Land D	-180					-180
T/F to CCTV Reserve		-100	-100	-100	-100	-400
T/F to R&R Reserve	-800		-	-		-800
Capital Reserve	3,616	383	373	118	412	3,842
TOTALS	12,537	13,483	17,325	20,866	9,267	73,478

ESTIMATED BALANCES

	01/04/04 £000	01/04/05 £000	01/04/06 £000	01/04/07 £000	01/04/08 £000	01/04/09 £000
CAPITAL RESERVE	5,049	1,433	1,050	677	795	1,207
CCTV RESERVE			100	200	300	400
DEV. CONTRIBS.	5,643	4,100	3,776	3,767	3,767	3,767