



**GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME FOR THE FINANCIAL YEAR 2007/08**

**1. INTRODUCTION**

- 1.1 The Cabinet has considered a number of expenditure planning and budget reports since the budget cycle commenced in November. This report sets out the final draft General Fund revenue and capital budgets for the financial year 2007/08 for the Cabinet to consider and make recommendations to the Council on the council tax level for the year commencing 1 April 2007.
- 1.2 The recommendations of the Cabinet will be considered by the Council at the meeting on 26 February 2007. The General Fund Forecast for 2007/08 to 2010/11, shown in Appendix 1 to this report, includes all Expenditure Plan proposals previously considered by the Cabinet as well as the additional proposals set out in this report.
- 1.3 Members will be aware that the budget setting process is not an executive decision and therefore the proposals contained in this report are the recommendations of the Cabinet to Council.

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**2. LOCAL GOVERNMENT FINANCE SETTLEMENT 2007/08**

- 2.1 The Council has now received the final grant settlement figures for 2007/08 and these are as were reported to Cabinet in January:-

	2006/07 £000	2007/08 £000
Revenue Support Grant	1741	1607
National Non Domestic Rates	9020	9580
	10761	11187

**3. ADDITIONAL BUDGET PROPOSALS**

A number of minor amendments to the proposals already considered by the Cabinet have arisen since the January meeting and these are outlined below:-

**3.1 Collection Fund Adjustment**

The final collection fund estimates have been completed and an additional £13,000 credit adjustment figure re collection performance is now due.

**3.2 Land Charges**

The Council needs to obtain information from the National Park Authority in order to respond to Land Charges searches in the Park area. The charge for this information is £7,500 per annum.

### 3.3 Members' Allowances

On 26 January 2007, Standards Committee recommended to Council that Members' Allowances be increased by 3.2%. This increase would require an additional budget of £3,100 over and above the amount already allowed for in the detailed budgets.

### 3.4 Hampshire Safeguarding Children's Board

£2000 - The recently formed Hampshire Safeguarding Children's Board is a legal requirement following the Every Child Matters legislation. Hampshire Children's Services are leading and need to increase awareness of the responsibilities of all organisations in safeguarding children. They are seeking a small financial contribution from district councils towards the cost of supporting a county wide approach.

### 3.5 Smoke Free Legislation

The Government has recently announced additional funding in the sum of £25M in order to assist local authorities enforce the new legislation that comes into force in July of this year. Of this sum the Council has been allocated £69K for 07/08 and this is not a ring-fenced grant. Although this grant is very welcome, in the time available it has not been possible to identify how enforcement of the new legislation may be undertaken and therefore the resources that may be required. It is therefore not intended, at this stage, to introduce the grant income into the base budget. Work will continue in an attempt to identify the potential resource implications of the new legislation.

## **4. GENERAL FUND REVENUE BUDGET FOR 2006/07**

- 4.1 The draft General Fund Revenue budget for 2007/08, as shown in Appendix 1, amounts to £21.836M. This is a net growth of £833k or 3.97% over the original approved budget of £21.003M for 2006/07. The budget includes Expenditure Plan Bids of £1.454M, Expenditure Plan Savings of £1.359M, inflation of £868K and additional investment income of £130K.
- 4.2 The General Fund Housing Service estimates allow for site licence fees and service charges for Stillwater Park to be increased by 3%, which is in line with inflation. This generates additional income of £3,080
- 4.3 As has been previously reported the proposed budget has assumed a slightly more assertive stance on a number of risks associated with the budget. Issues around income generation and in particular land charges income will need to be closely monitored. Pay has a significant impact on the Councils net budget and therefore the outcome of the pay negotiations which are due to be implemented with effect from the 1 April will affect the Council's budgetary position for 2007/08.
- 4.4 In addition the Council has also included a number of budget reduction targets that will need to be delivered during the next financial year. The

longer that it takes to introduce proposals to achieve these targets the proportionally greater the challenge becomes. Negated against the risks outlined above is the Councils spending against budget in the current year. Elsewhere on this agenda a monitoring report has identified that the General Fund is likely to show a significant under spend for the current financial year.

## **5. REVIEW PANEL / COMMITTEE COMMENTS**

There have been no specific comments from any of the Review Panels/ Committees

## **6. COUNCIL TAX INCREASE**

- 6.1 Based on the budget shown in Appendix 1 to this report, a Council Tax of £145.22 at Band D level will be required for 2007/08. This represents a 3.0% increase over the current year's Band D Council Tax level of £140.99 and is in line with the Financial Strategy agreed in July of last year.

## **7. CAPITAL PROGRAMME**

- 7.1 A detailed capital expenditure programme totalling £15.467M for 2007/08 was considered by Cabinet in January. The financial monitoring report elsewhere on this agenda identifies rephasing of expenditure in the sum of £291K from 2006/07. Of this, £284K will now be incurred in 2007/08 and £7K in 2008/09. A breakdown of the schemes making up the rephasing is set out in the monitoring report and the updated summary is shown in Appendix 2 of this report.

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## **8. EMPLOYEE SIDE COMMENTS**

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

## **9. RECOMMENDATIONS**

**It is recommended that:**

- 9.1 The Cabinet give consideration to the comments of the Review Panels/ Committees as outlined in this report
- 9.2 The additional budget proposals contained in Section 3 of this report be approved.
- 9.3 The Cabinet recommend to Council that
- 9.3.1 The 2007/08 General Fund revenue budget be agreed in the sum of £21.836M
  - 9.3.2 The 2007/08 Capital Programme be set at £15.751M
  - 9.3.3 The Council Tax be set at £145.22 for a band D property
  - 9.3.4 Site licence fees and services charges at Stillwater Park be increased by 3%.

**For further information:**

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**Background papers:**

**NEW FOREST DISTRICT COUNCIL**  
**DRAFT GENERAL FUND FORECAST 2007/08 TO 2010/11**

<u>29/01/2007</u>	2006/07	2007/08	2008/09	2009/10	2010/11
	£000	£000	£000	£000	£000
<b>Net Portfolio Requirements</b>	21234	21003	21836	22112	22455
Est. Inflation (salary related)	0	620	640	660	680
Other Inflation	0	248	200	200	210
<b>Sub Total (A)</b>	21234	21871	22676	22972	23345
Capital Financing Provision	769	0			
<b>Sub Total (B)</b>	22003	21871	22676	22972	23345
Less Interest on Balances(net)	-1000	-130	100	50	50
<b>Sub Total (C)</b>	21003	21741	22776	23022	23395
<b>Budget Requirements</b> <b>Total (D)</b>	21003	21741	22776	23022	23395
<b>Add Expenditure Plan Bids</b>					
Finance & Efficiency/Policy & Resources	0	404	220	172	35
Crime & Disorder	0	69	-26	4	20
Economy & Planning	0	93	70	12	-7
Environment	0	170	-24	-10	-10
Health & Social Inclusion	0	28	0	0	0
Housing	0	40	-19	1	1
Leisure	0	432	97	195	-226
General Purposes & Licensing Committee	0	60	-38	0	0
Planning Development Control Committee	0	151	100	0	0
Standards Committee	0	6	-6	0	0
<b>Sub Total Bids</b>	0	1454	374	374	-187
<b>Deduct Expenditure Plan Savings</b>					
Finance & Efficiency/Policy & Resources	0	-763	0	9	0
Crime & Disorder	0	-12	0	0	0
Economy & Planning	0	-151	68	-29	0
Environment	0	-122	0	0	0
Health & Social Inclusion	0	-38	0	0	0
Housing	0	-53	0	0	0
Leisure	0	-217	-44	-36	-68
General Purposes & Licensing Committee	0	-3	-2	0	0
Planning Development Control Committee	0	0	0	0	0
Standards Committee	0	0	0	0	0
<b>Sub Total Savings</b>	0	-1359	22	-56	-68
<b>Forecast Budget Requirements</b> <b>Total (E)</b>	21003	21836	23172	23340	23140
Further Efficiencies/Savings(-)/Growth			-1060	-885	-330
Budget Required after Reserve Transfer	21003	21836	22112	22455	22810

## FINANCED

Collection Fund /RSG/ NDR	10978	11426	11369	11369	11369
Council Tax	10025	10410	10743	11086	11441
	<b>21003</b>	<b>21836</b>	<b>22112</b>	<b>22455</b>	<b>22810</b>
Council Tax	140.99	145.22	149.57	154.06	158.69
Council Tax Increase		3.00	3.00	3.00	3.00

**NEW FOREST DISTRICT COUNCIL**  
**CAPITAL EXPENDITURE**  
**SUMMARY AND RESOURCES 2006/07 TO 2010/11**

APPENDIX 2

**Date Prepared :-**

29-Jan-07

<b>ESTIMATED EXPENDITURE</b>	<b>2006/07 £'000</b>	<b>2007/08 £'000</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>	<b>Total £'000</b>
Finance & Efficiency/Policy & Resources	3,137	2,084	2,002	1,764	2,418	11,405
Crime & Disorder	21	-	180	-	-	201
Environment - General	298	237	257	240	-	1,032
Environment - Coast Prot / Land Drainage	965	2,706	2,254	4,718	995	11,638
Economy & Planning	235	369	374	55	14	1,047
Health & Social Inclusion	27	7	-	-	7	41
Housing - Public Sector	5,414	5,343	4,750	4,750	4,750	25,007
Housing - Private Sector	1,362	3,067	1,426	954	954	7,763
Leisure - General	1,483	1,788	822	1,143	159	5,395
Leisure - Developers' Contributions	547	150	-	-	-	697
<b>TOTALS</b>	<b>13,489</b>	<b>15,751</b>	<b>12,065</b>	<b>13,624</b>	<b>9,297</b>	<b>64,226</b>

**PROPOSED FINANCING**

Major Repairs Subsidy	3,283	3,311	3,311	3,311	3,311	16,527
Revenue Provision HRA	2,131	2,032	1,439	1,439	1,439	8,480
Total Ringfenced Hsg Public Sector	5,414	5,343	4,750	4,750	4,750	25,007
Grants & Other Contributions	254	254	254	254	254	1,270
Usable Capital Receipts	1,108	2,813	1,172	700	700	6,493
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<b>TOTAL HOUSING RESOURCES</b>	<b>6,776</b>	<b>8,410</b>	<b>6,176</b>	<b>5,704</b>	<b>5,704</b>	<b>32,770</b>
Grants & Other Contributions	1,009	2,706	2,254	4,718	995	11,682
Developers' Contributions	697	172	205	-	-	1,074
Revenue Provision (Gen. Fund.)	769	769	769	769	769	3,845
Usable Capital Receipts	15	-	-	50	-	65
Loan	2,892	2,278	2,565	2,037	2,488	12,260
Capital Reserve	1,331	1,416	96	346	659	2,530
<b>TOTALS</b>	<b>13,489</b>	<b>15,751</b>	<b>12,065</b>	<b>13,624</b>	<b>9,297</b>	<b>64,226</b>

**ESTIMATED BALANCES**

	<b>01/04/06 £000</b>	<b>01/04/07 £000</b>	<b>01/04/08 £000</b>	<b>01/04/09 £000</b>	<b>01/04/10 £000</b>	<b>01/04/11 £000</b>
<b>CAPITAL RESERVE</b>	3,279	1,948	532	436	90	749
<b>DEV. CONTRIBS.</b>	4,237	3,540	3,368	3,163	3,163	3,163

Note: The Housing Private Sector expenditure figures above are net of reductions in the programme which have still to be identified. To achieve a programme that balances with resources generated from Housing, the proposed programme needs to be reduced from 08/9 onwards. The position will be reviewed during 2007/8.