



CABINET – 6 FEBRUARY 2008

GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME FOR THE FINANCIAL YEAR 2008/09

1. INTRODUCTION

- 1.1 The Cabinet has considered a number of expenditure planning and budget reports since the budget cycle commenced in July 2007. This report sets out the final draft General Fund revenue and capital budgets for the financial year 2008/09 for the Cabinet to consider and make recommendations to the Council on the council tax level for the year commencing 1 April 2008.
- 1.2 The recommendations of the Cabinet will be considered by the Council at the meeting on 25 February 2008. The General Fund Forecast for 2008/09 to 2011/12, 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 2008/09

- 2.1 The Council has now received the final grant settlement figures for 2008/09, which is the first year of a 3 year settlement, and these are as were reported to Cabinet in January:-

	2007/08 £000	2008/09 £000
Revenue Support Grant	1607	1392
National Non Domestic Rates	9580	10000
	11187	11392

3. ADDITIONAL BUDGET PROPOSALS

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

- 3.1 Superannuation

The employer's contribution rate for 2008/09 will be lower than had been anticipated. This will reduce the previously forecast budget requirement by £90,000.

3.2 Insurances

The Council has recently negotiated renewal terms on its insurance premiums, resulting in a reduction in previously anticipated costs of £81k, £51k of which will benefit the General Fund.

3.3 Land Charges Income

In April 2007, the Council significantly reduced its fees for Local Land Charges, in order to try to maintain its position in the market place, following changes in access to information governing the provision of search information. Initial proposals for fees for 2008/09 were approved by Cabinet in December 2007 but following a subsequent review of the impact of reductions made in April 2007, a new set of proposals is attached as Appendix 2. It is anticipated that these proposals will reduce the existing £290k expenditure plan bid for income reduction by £100k.

3.4 Financing of the ICT Work Programme

The initial 2008/09 budget included £306k of revenue charges for replenishment of the ICT Replacements and Renewals Reserve for past years ICT work programme items. Many of the items purchased will not need to be replaced, as they were non recurring items such as consultancy costs, or are being subsumed within other work programme items, and therefore with the change in the method of financing of ICT a couple of years ago it is now proposed to remove the revenue charges from the base budget. To ensure that new expenditure bids are not required for those items that will need to be replaced, it is proposed to increase the capital provision by £150k and then vire this to the appropriate budgets when replacement occurs. The net impact therefore is to reduce the overall budget requirement in 2008/09 by £156k.

Housing Benefits

- 3.5 The Council has received Government grant of £124k in 07/8 for implementing changes to the system for Housing Benefits. The grant will be carried forward to fund expenditure of £79k in 08/9 and £45k in future years. There will be no overall financial impact on the Council until 2011/12 when £6k of ongoing system maintenance and support costs of £10k per annum will not be grant funded. The Council will fund the full £10k from 2012/13.

4. GENERAL FUND REVENUE BUDGET FOR 2008/09

- 4.1 The draft General Fund Revenue budget for 2008/09, as shown in Appendix 1, amounts to £22.384m. This is a net growth of £658k or 3.03% over the original approved budget of £21.726m for 2007/08. The budget includes Expenditure Plan bids of £2.291m, Expenditure Plan savings of £2.557m, inflation of £840k, an increase of £100k in the capital financing provision and additional investment income of £15k.

- 4.2 The General Fund Housing Service estimates allow for site licence fees and service charges for Stillwater Park to be increased by 3.9%, which is in line with inflation. This generates additional income of £4,120.

- 4.3 The proposed budget has been prepared with a number of issues still being uncertain. Issues around income generation, in particular land charges income and Housing and Planning Delivery Grant, and the costs of concessionary travel 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 may affect the Council's budgetary position for 2008/09.

5. REVIEW PANEL / COMMITTEE COMMENTS

- 5.1 Leisure Review Panel requested Cabinet to reconsider proposed charges for beach huts, as they felt that the proposed charges at Calshot were too high and that the % increase in charges for residents should not be greater than the % increase for non-residents. The schedule of charges considered by the Panel is attached as Appendix 3.
- 5.2 Planning and Transportation Review Panel recommended that specific details of the impact on Council Tax of the Government's changes to the Concessionary Travel Scheme should be included in the Council Tax Leaflet.
- 5.3 Corporate Overview Panel repeated its request to Cabinet from last year that the existing Rural Grants scheme be extended to include all Councillors.

6. COUNCIL TAX INCREASE

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- 6.1 Based on the budget shown in Appendix 1 to this report, a Council Tax of £150.06 at Band D level will be required for 2008/09. This represents a 4.45% increase over the current year's Band D Council Tax level of £143.67 and is in line with the Financial Strategy agreed in July of last year.

7. CAPITAL PROGRAMME

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- 7.1 A detailed capital expenditure programme totalling £13.725m for 2008/09 was considered by Cabinet in January. The financial monitoring report elsewhere on this agenda identifies and details rephasing of expenditure in the sum of £2.028m from 2007/08. Of this, £1.986m will now be incurred in 2008/09. In addition, the Milford on Sea Community Association scheme contribution of £50k has been moved from 2008/09 to 2009/10 and the estimated cost of the Lymington 816 Gym Extension has been reduced by £139k to £535k. The budget reduction is split £136k in 2008/09 and £3k in 2009/10. The updated capital programme for 2008/09 is £15.525m and is summarised in Appendix 4 of this report.

8. EMPLOYEE SIDE COMMENTS

- 8.1 The recommendation of a 4.45% increase in Council Tax is of concern to Employee Side as the impact of this hits not only the public but all staff who live in the NFDC area. The proposed increase is also well above the Government target of a 2% limit on inflation for 2008/09.

- 8.2 The increase of 4.45% is significantly above the pay increase staff had for last year, and rises such as these are effectively eroding the value of their pay.
- 8.3 Employee side feel that Council staff have over the years and will again take the brunt of the public's resentment at this level of increase in their Council Tax.
- 8.4 It is noted that the Revenue Support Grant increase is this year set at 1% (approximately £113k). This derisory amount awarded by Central Government has effectively tied the hands of the Council. If the Council wishes to provide the same service levels with the same staff it is inevitable that the only recourse is a rise in Council Tax.
- 8.5 It is noted that although the percentage increase is high, the NFDC share of the overall Council Tax is small, an increase for a Band D property from £143.67 to £150.06. For just a small increase of £6.39 the Council has, for this year at least, managed to maintain the same level of staff and services, a major achievement.
- 8.6 The Government's demand for Councils to make 3% efficiency savings is their answer to an annual reduction in the level of support from Revenue Support Grant. In reality, efficiency savings will hit a bar, and closure or reductions in services will happen. The Government's long term aim could be seen to be a desire to make efficient Councils inefficient.

9. PORTFOLIOHOLDER COMMENTS

- 9.1 The Portfolio Holder continues to re-assess budgeted expenditure, aiming to reduce the increase in Council Tax further without suffering any adverse impact on services.

10. RECOMMENDATIONS

It is recommended that:

- 10.1 The Cabinet considers the comments of the Review Panels/ Committees, as outlined in this report
- 10.2 The additional budget proposals contained in Section 3 of this report be approved.
- 10.3 The Cabinet recommend to Council that
- 10.3.1 Site licence fees and services charges at Stillwater Park be increased by 3.9%.
- 10.3.2 The revised 2008/09 fees and charges schedules for land charges and beach huts, as set out in Appendices 2&3, be approved.

10.3.3 The 2008/09 General Fund revenue budget be agreed in the sum of £22.384m.

10.3.4 The Council Tax be set at £150.06 for a band D property.

10.3.5 The 2008/09 Capital Programme be set at £15.525m.

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Background Papers:

Cabinet Reports – July 2007,
November 2007, December 2007,
January 2008

Revenue Support Grant
Settlement

NEW FOREST DISTRICT COUNCIL
DRAFT GENERAL FUND FORECAST 2008/09 TO 2011/12

<u>25/01/2008</u>	2007/08	2008/09	2009/10	2010/11	2011/12
	£000	£000	£000	£000	£000
Net Portfolio Requirements	21088	21725	22384	22806	23323
Est. Inflation (salary related)	620	640	660	680	700
Other Inflation	248	200	200	210	210
Sub Total (A)	21956	22565	23244	23696	24233
Capital Financing Provision	-100	100			
Sub Total (B)	21856	22665	23244	23696	24233
Less Interest on Balances(net)	-130	-15	50	50	0
Sub Total (C)	21726	22650	23294	23746	24233
Budget Requirements Total (D)	21726	22650	23294	23746	24233
Add Expenditure Plan Bids					
Crime & Disorder	0	10	38	10	0
Employment, Health & Wellbeing	0	0	5	0	0
Environment	0	273	-10	0	0
Finance & Efficiency/Policy & Resources	0	829	198	106	0
General Purposes & Licensing Committee	0	38	0	0	0
Housing	0	8	1	1	0
Leisure	0	129	51	-128	1
Planning Development Control Committee	0	112	0	0	0
Planning & Transportation	0	881	0	-28	0
Standards Committee	0	10	0	0	0
Sub Total Bids	0	2291	283	-39	1
Deduct Expenditure Plan Savings					
Crime & Disorder	0	-84	-16	10	0
Employment, Health & Wellbeing	0	-49	-15	0	0
Environment	0	-147	17	-9	0
Finance & Efficiency/Policy & Resources	0	-1,204	-114	-42	0
General Purposes & Licensing Committee	0	-52	0	0	0
Housing	0	-54	0	0	0
Leisure	0	-445	-110	-56	-23
Planning Development Control Committee	0	-130	0	0	0
Planning & Transportation	0	-386	-5	-14	138
Standards Committee	0	-6	0	0	0
Sub Total Savings	0	-2557	-244	-111	115
Forecast Budget Requirements Total (E)	21726	22384	23334	23595	24349
Further Efficiencies/Savings(-)/Growth	-1	0	-528	-272	-658
Budget Required after Reserve Transfer	21725	22384	22806	23323	23691

FINANCED

Collection Fund /RSG/ NDR	11426	11565	11640	11801	11801
Council Tax	10299	10819	11166	11522	11890
	21725	22384	22806	23323	23691
Council Tax	143.67	150.06	154.57	159.20	163.97
Council Tax Increase		4.45	3.00	3.00	3.00

PLANNING AND TRANSPORTATION PORTFOLIO
PROPOSED SCALE OF FEES AND CHARGES FOR 2008/2009

	Charges 2007/08 £	December Cabinet £	Revised Charges 2008/09 £	% Increase	Review Indicator
<u>LOCAL LAND CHARGES</u>					
Form LLC1 Residential	40.00	42.00	40.00	-	
Form CON29 (2007) Residential	40.00	42.00	60.00	50.0	
Form LLC1 Commercial	40.00	42.00	50.00	25.0	
Form CON29 (2007) Commercial	40.00	42.00	110.00	175.0	/ /
Personal Searches (LLC1 only)	11.00	11.00	11.00	-	/ /S
Personal Searches (Building Control Records)	11.30	11.60	11.60	2.7	/ /
Printout of Personal Search Entries	1.50	1.50	1.50	-	/ /S
Form CON29 (2007) Optional Enquiries	11.00	14.00	20.00	81.8	/ /
Written Enquiries	21.00	22.00	40.00	90.5	/ /
Additional Parcels of Land	16.00	16.50	20.00	25.0	/ /
Duplicate Search	15.00	15.50	15.50	3.3	/ /
Document sent by Facsimile	13.00	13.40	13.40	3.1	/ /
Large site search	N/A	N/A	500.00	-	/ /
Form LLC1 Residential (Refresher search)	N/A	N/A	20.00	-	/ /
Form CON29 (2007) Residential (Refresher search)	N/A	N/A	30.00	-	/ /
Form LLC1 Commercial (Refresher search)	N/A	N/A	25.00	-	/ /
Form CON29 (2007) Commercial (Refresher search)	N/A	N/A	55.00	-	/ /

LEISURE, CULTURE & YOUTH MATTERS PORTFOLIO

PROPOSED SCALE OF FEES AND CHARGES FOR 2008/09

BEACH HUTS

			Current Charge £	Proposed Charge £	Increase %	Review Indicator
With effect from 1st April 2008 (all shown are excluding VAT)						
Transfer Fee (Sale or Transfer of Private Huts)						
Milford-on-Sea			463.50	502.13	8.3	M / L
Barton-on-Sea			103.00	297.87	189.2	M / L
Calshot			618.00	638.30	3.3	M / L
Hordle Cliff	Sq. Feet	up to 75	309.00	0.00	New Format	M / L
		76 - 125	412.00	0.00	New Format	M / L
		over 125	415.00	0.00	New Format	M / L
		up to 100	0.0	451.06	New Format	M / L
		over 100	0.0	553.19	New Format	M / L
Site Rent Residents						
Milford-on-Sea	concrete	per annum	287.40	303.83	5.7	
	wooden	"	282.20	300.43	6.5	
Barton-on-Sea			251.30	278.30	10.7	
Calshot	Sq. Feet	up to 50	318.30	318.30	0.0	
		50 - 75	350.20	350.64	0.1	
		76 - 125	392.40	392.34	0.0	
		over 125	414.10	414.47	0.1	
Hordle Cliff	Sq. Feet	up to 50	240.00	263.83	9.9	
		50 - 75	251.30	278.30	10.7	
		76 - 125	269.90	297.87	10.4	
		over 125	282.20	313.19	11.0	

LEISURE, CULTURE & YOUTH MATTERS PORTFOLIO

PROPOSED SCALE OF FEES AND CHARGES FOR 2008/09

BEACH HUTS

			Current Charge	Proposed Charge	Increase	Review Indicator
			£	£	%	
Site Rent Non - Residents						
Milford-on-Sea	concrete	per annum	393.50	414.47	5.3	
	wooden	"	388.30	411.07	5.9	
Barton-on-Sea			357.40	388.94	8.8	
Calshot	Sq. Feet	up to 50	424.40	428.94	1.1	
		50 - 75	456.30	461.28	1.1	
		76 - 125	498.50	502.98	0.9	
		over 125	520.20	525.11	0.9	
Hordle Cliff	Sq. Feet	up to 50	346.10	374.47	8.2	
		50 - 75	357.40	388.94	8.8	
		76 - 125	376.00	408.51	8.6	
		over 125	388.30	423.83	9.2	

Review Indicator Key

M - Market comparisons undertaken

L - Local Authority comparisons undertaken

S - Statutory Charge Level

NEW FOREST DISTRICT COUNCIL
CAPITAL EXPENDITURE
SUMMARY AND RESOURCES 2007/08 TO 2011/12

APPENDIX 4

Date Prepared :-

25-Jan-08

ESTIMATED EXPENDITURE	2007/08	2008/09	2009/10	2010/11	2011/12	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Crime & Disorder	-	180	-	-	-	180
Employment, Health & Wellbeing	62	70	-	7	-	139
Environment - Coast Prot / Land Drainage	1,027	1,414	8,214	999	747	12,401
Environment - General	283	285	275	275	-	1,118
Finance & Efficiency/Policy & Resources	3,172	1,841	1,375	1,958	4	8,350
Housing - Private Sector	1,563	3,267	754	754	754	7,092
Housing - Public Sector	4,543	5,695	5,176	5,176	5,176	25,766
Leisure - Developers' Contributions	505	9	9	-	-	523
Leisure - General	1,889	2,183	1,402	324	279	6,077
Planning & Transportation	564	581	89	69	114	1,417
TOTALS	13,608	15,525	17,294	9,562	7,074	63,063

PROPOSED FINANCING

Major Repairs Subsidy	3,311	3,317	3,317	3,317	3,317	16,579
Revenue Provision HRA	1,232	2,378	1,859	1,859	1,859	9,187
Total Ringfenced Hsg Public Sector	4,543	5,695	5,176	5,176	5,176	25,766
Grants & Other Contributions	254	254	254	254	254	1,270
Usable Capital Receipts	1,309	3,013	500	500	500	5,822
						-
TOTAL HOUSING RESOURCES	6,106	8,962	5,930	5,930	5,930	32,858
Grants & Other Contributions	1,059	1,469	8,214	999	747	12,488
Developers' Contributions	732	257	43	-	-	1,032
Revenue Provision (Gen. Fund.)	669	769	769	769	769	3,745
Usable Capital Receipts	150	-	300	-	-	450
Internal Financing	3,148	2,382	1,755	2,132	332	9,749
Capital Reserve	1,744	1,686	283	268	704	2,741
TOTALS	13,608	15,525	17,294	9,562	7,074	63,063

ESTIMATED BALANCES

	01/04/07	01/04/08	01/04/09	01/04/10	01/04/11	01/04/12
	£000	£000	£000	£000	£000	£000
CAPITAL RESERVE	3,944	2,200	514	231	499	1,203
DEV. CONTRIBS.	4,877	4,145	3,888	3,845	3,845	3,845