

POLICY & FINANCE COMMITTEE – 12 DECEMBER 2007

BUDGET AND PRECEPT 2008/2009 – AGENDA ITEM 5

1. Introduction

- 1.1 Members determined the Policy & Finance Committee's own budget earlier in the meeting. The Committee will now need to consider proposals from each Committee in order to recommend to Council its overall budget and precept for 2008/2009.

2. Budget Proposals by Committees

- 2.1 Other Committees have re-considered their budgets prior to this meeting. Attached for the Committee's consideration are the following documents:-

Appendix A – Base budget approved by Recreation, Leisure & Open Spaces Committee

Appendix B – New proposals in priority order by Recreation, Leisure & Open Spaces Committee

Appendix C – Base budget, subject to approval by Planning, Town & Environment Committee on 7 December 2007

Appendix D – New proposals in priority order, subject to approval by Planning, Town & Environment Committee on 7 December.

- 2.1 At its meeting on 5 December, the Recreation, Leisure & Open Spaces Committee agreed that the full costs (£40,000) of the proposed scheme to extend the road at the cemetery should be included in the 2008/09 budget. This cost alone would result in an increase of £7.39 in the Council Tax for 2008/09. As this scheme is a one-off, Members may wish to consider meeting this cost from a transfer from the General Reserve. Future years' budgets can include transfers to the General Reserve to maintain the prudential level of £150,000.
- 2.2 In addition, Members will also need to consider its own proposals as shown in Appendices A and B (as amended at the meeting) to the report elsewhere in the Agenda relating to this Committee's budget.
- 2.3 The analysis carried out on the 2007/08 budget has identified likely changes to the original base budget. In overall terms, there are a number of small savings throughout the Council's budgets. In total, these amount to £21,000. This has the effect of reducing the amount to be transferred from the General Reserve, i.e. from £21,260 to £230.
- 2.4 The Chairman of this Committee has suggested that the transfer from the General Reserve should be sufficiently high in order to keep the increase in the net budget for 2008/09 at a reasonable level. The amount may change in line with any decisions affecting general fund expenditure.
- 2.5 The budget proposals include making some contributions to provisions during 2008/09 in order to mitigate the effects of expenditure requirements in later years. A separate report reviewing provisions will be submitted to this Committee later in this financial year.
- 2.6 Appendix E to this report shows a summary of the overall position with respect to the Council's original and revised budgets for 2007/2008, together with the proposed budget for 2008/2009, subject to this Committee agreeing the proposals now submitted. The base budget for 2008/09 is £309,700. This level includes inflation and known changes to the 2007/08 budget. This base budget level allows Members to include new non recurring expenditure bids in 2008/09 for the benefit of the residents of Ringwood. The level of new bids will be determined by the level of precept that Members recommend to Council.
- 2.7 Page two of Appendix E also provides indicative Council Tax levels. It assumes that all of the remaining bids shown in Appendix A to the Committee's own budget papers, and all of the bids approved by the Recreation, Leisure and Open Spaces Committee and the Planning, Town and Environment Committee are approved. By transferring £47,000 from the General Reserve, the

Council's precept requirement would be £346,750, an increase of £26,000 over 2007/08. Any bids that are rejected, increased, or decreased, would affect the total precept requirement.

- 2.8 The indicative precept level would produce a Council Tax of £64.05, an increase of £4.73 (39p per week), over 2007/08. The Council Tax would be reduced by £1 for each £5,400 of expenditure.
- 2.9 If Members agree to the level of transfer from the General Reserve i.e. £47,000, it is unlikely that precept levels from 2009/10 will benefit from further transfers from the General Reserve. Indeed, for future years, Members should consider making transfers back to the General Reserve, and even consider setting up a capital fund into which sums can be earmarked for future capital schemes. Such a fund will reduce the need to finance large schemes, like the extension to the road at the cemetery scheme, directly from the revenue budget in the year the scheme is needed.

3. Conclusions

- 3.1 If all the proposed bids of all Committees and level of transfer from the General Reserve are approved for 2008/2009, the Council Tax would increase by £4.73 for the year.
- 3.2 The estimated level of the General Reserve as at 31 March 2009 would be about £133,000, which is below the prudential level of £150,000.

4. Recommendations

- 4.1 Subject to any amendments that Members may wish to make at this meeting it is recommended that:-
- a) The provisional base budget for Recreation, Leisure & Open Spaces Committee, as set out in Appendix A to this report, be approved.
 - b) The provisional priority proposals numbered 1 to 13 in Appendix B (Recreation, Leisure & Open Spaces Committee) be accepted and included in the Council's overall budget for 2008/2009.
 - c) The provisional base budget for Planning, Town & Environment Committee, as set out in Appendix C to this report, be approved.
 - d) The provisional priority proposals numbered 1 and 2 in Appendix D (Planning, Town & Environment Committee) be accepted and included in the Council's overall budget for 2008/2009.
 - e) The Committee's own provisional base budget, as set out in Appendix B to the report elsewhere on this Agenda on the Committee's own budget, be approved.
 - f) The provisional priority proposals determined at this meeting in Appendix A to the Committee's own budget report elsewhere on this Agenda, be approved.
- 4.2 Subject to approval of the recommendations in paragraph 4.1 above, the Committee is requested to make recommendations to Council on the provisional budget and the level of the precept for 2008/09.

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