

POLICY & FINANCE COMMITTEE – 19 NOVEMBER 2008

DRAFT BUDGET AND PRECEPT 2009/2010 – Agenda Item 4

1. Introduction

- 1.1 Members considered the Policy & Finance Committee's own draft budget earlier in the meeting. The Committee will now need to consider the draft proposals from the other two Committees. A recommendation to Council on its overall budget and precept for 2009/2010 will be made at the next meeting of this Committee on 10 December 2008.

2. Budget Proposals by Committees

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

Appendix A – New proposals in priority order approved by Recreation, Leisure & Open Spaces Committee.

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

Appendix C – New proposals in priority order approved by Planning, Town & Environment Committee.

Appendix D – Base budget, approved by Planning, Town & Environment Committee.

- 2.1 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.
- 2.2 The analysis carried out on the 2008/09 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 just over £19,000. This has the effect of reducing the amount to be transferred from the General Reserve, i.e. from £43,670 to £24,610.
- 2.3 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 2009/10 at a reasonable level. The amount may change in line with any decisions affecting general fund expenditure.
- 2.4 The budget proposals include continuing to make some contributions to provisions during 2009/10 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.
- 2.5 Appendix E to this report shows a summary of the overall position with respect to the Council's original and revised budgets for 2008/2009, together with the draft budget proposals for 2009/2010, subject to this Committee agreeing the proposals now submitted. The draft base budget for 2009/10 is £341,180. This level includes inflation and known changes to the 2008/09 budget. This base budget level allows Members to include new non recurring expenditure bids in 2009/10 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.

- 2.6 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 £36,890 from the General Reserve, the Council's precept requirement would be £370,000, an increase of nearly £20,000 over 2008/09. Any bids that are rejected, increased, or decreased, would affect the total precept requirement.
- 2.7 The indicative precept level would produce a Council Tax of £67.92, an increase of £3.26 (6p per week), over 2008/09. The Council Tax would be increased by £1 for each £5,400 of expenditure.
- 2.8 If Members agree to the level of transfer from the General Reserve i.e. £36,890, it is unlikely that precept levels from 2010/11 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 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 2009/2010, the Council Tax would increase by £3.26 for the year.
- 3.2 The estimated level of the General Reserve as at 31 March 2010 would be about £110,000, 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 B to this report, be approved.
 - b) The provisional priority proposals numbered 1 to 13 in Appendix A (Recreation, Leisure & Open Spaces Committee) be accepted and included in the Council's overall budget for 2009/2010
 - c) The provisional base budget for Planning, Town & Environment Committee, as set out in Appendix D to this report, be approved.
 - d) The provisional priority proposals numbered 1 to 4 in Appendix C (Planning, Town & Environment Committee) be accepted and included in the Council's overall budget for 2009/2010.
 - e) The Committee's own provisional base budget, as set out in Appendix C 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 B to the Committee's own budget report elsewhere on this Agenda, be approved.

- 4.2 Subject to further amendments to the draft budget for 2009/10 that will be considered by this Committee at its meeting on 10 December, the Committee is requested to make recommendations to Council on the provisional budget and the level of the precept for 2009/10.

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