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27 January 2009

S U M M O N S

MEETING: Community and Environment Board (Extraordinary Meeting)
DATE: 4 February 2009
TIME: 6.00pm
PLACE: Committee Room 2, Town Hall, Gosport
Democratic Services contact: Lisa Reade

LINDA EDWARDS
BOROUGH SOLICITOR

MEMBERS OF THE BOARD

Councillor Chegwyn (Chairman)
Councillor Smith (Vice Chairman)

Councillor Beavis	Councillor Langdon
Councillor Burgess	Councillor Murphy
Councillor Edgar	Councillor Salter
Councillor Mrs Forder	Councillor Wright

The Mayor (Councillor Kimber) (ex officio)

FIRE PRECAUTIONS

(To be read from the Chair if members of the public are present)

In the event of the fire alarm (single continuous sound) sounding, please leave the room immediately. Proceed downstairs by way of the main stairs or as directed by GBC staff, following any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

IMPORTANT NOTICE:

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

NOTE:

- i. Members are requested to note that if any member wishes to speak at the Board meeting then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off for the duration of the meeting.

AGENDA

RECOMMENDED
MINUTE FORMAT

PART A ITEMS

1. APOLOGIES FOR NON-ATTENDANCE
2. DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter, any personal or personal and prejudicial interest in any item(s) being considered at this meeting.

3. DEPUTATIONS – STANDING ORDER 3.5

(NOTE: The Board is required to receive a deputation(s) on a matter which is before the meeting of the Board provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Monday 2 February 2009. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

4. PUBLIC QUESTIONS – STANDING ORDER 3.6

(NOTE: The Board is required to allow a total of 15 minutes for questions from Members of the public on matters within the terms of reference of the Board provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Monday 2 February 2009).

5. BOARD BUDGET 2009/2010

Report to follow.

Part II
Contact Officer:
John Norman
Ext. 5316

6. ANY OTHER ITEMS

which the Chairman determines should be considered, by reason of special circumstances, as a matter of urgency.

Board:	COMMUNITY AND ENVIRONMENT BOARD
Date of meeting:	4 FEBRUARY 2009
Title:	BOARD BUDGET 2009-2010
Author:	FINANCIAL SERVICES MANAGER
Status:	FOR RECOMMENDATION

Purpose

The purpose of this report is to consider the Board's revised 2008/09 and 2009/10 budgets, including the Board's fees and charges for 2009/10 and capital programme, and recommend thereon to the Policy and Organisation Board for inclusion in the Council's overall budget proposals

Recommendation

The Board is requested to recommend to P&O Board its requirements for

- the revenue budget (revised 2008/09 and estimate 2009/10)
- the fees and charges for 2009/10
- the capital programme 2008/09 to 2013/14

1.0 BACKGROUND

- 1.1 The Board is required to consider and recommend to P&O Board its requirements for the 2008/09 and 2009/10 financial years.
- 1.2 P&O Board will consider its own and other Board requirements on 4th February, and make recommendations to Council regarding the overall Council budget.
- 1.3 Members have been circulated with drafts of both the Budget and Fees and Charges Books for 2009/10. The draft figures have been compiled in line with the guidance contained in the Council's budget strategy (P&O Board 25th June 2008).
- 1.4 This Boards budgets are contained on the following pages:
 - Revenue budgets pages 3 to 14
 - Revenue variances appendix 1, pages 1 to 3
 - Capital programme pages 47 to 50

1.5 The Budget Book continues to be presented in the revised format that was first used in 2007/08 that is aimed at providing a presentation that more readily aligns with the Council's service unit structure.

1.6 There are several general points regarding the reported figures :

- Capital Finance and Grants Deferred income

A depreciation charge is made to revenue services and administration accounts. This charge represents the cost of using the council's assets during the year and is offset by an opposite and equal figure within the P&O Board budget so that it does not impact on the level of council tax. This accounting treatment is obligatory and is carried out by all local authorities.

From 2006/07, it also became necessary to show income against services for the proportion of any capital grants or external financing that have been received to finance capital expenditure. As with depreciation, this is offset within P&O Board.

- Administration Recharges

Administration recharges represent the cost of the Council's service units – both frontline and support – that are incurred in providing the Council's services. They are a recharge of the total service unit costs which are overseen by the Personnel Sub and P&O Boards. They can vary between both services and boards, as well as between the General Fund, Housing Revenue Account and the Capital Programme and reflect the complexity of the Council's structure and services provided.

- Variance Analysis

The variance analysis shows the major budgetary variations from (i) the original budget to the revised budget and, (ii) the revised budget to the estimated budget.

In practice, at the lowest level, there will always be many budgetary variations – both positive and negative - as officers manage budgets and provide for service delivery under delegated authority. These will also include virements in line with financial regulations. The variance analysis in the budget book includes the major variations only.

1.7 A subjective analysis (an analysis by type of expenditure as opposed to by service heading) is in the table below.

	ORIGINAL 2008/2009 £	REVISED 2008/2009 £	BUDGET 2009/2010 £
Employees	279,840	318,690	283,960
Premises	616,880	771,380	715,530
Transport	20,470	23,690	23,760
Supplies and Services	577,560	598,210	605,180
Third Party Payments	3,308,400	3,339,460	3,477,780
Transfer Payments	1,191,080	1,048,000	1,055,990
Support Services	2,863,970	2,809,150	2,851,700
Depreciation & Impairment			
Losses	736,280	773,090	750,410
Miscellaneous		0	0
	9,594,480	9,681,670	9,764,310
Income - Grants Deferred	359,460	359,880	359,880
Income - Other	2,090,520	2,081,370	2,042,970
	7,144,500	7,240,420	7,361,460

2.0 REVISED BUDGET 2008/09

2.1 The revised budget for 2008/09 for this Board is £7,240,420, an increase of £95,920 (1.3%) on the original budget for 2008/09 of £7,144,500.

2.2 Excluding the increase in Capital Finance charges (£36,810), Grants Deferred (-£420) and the movement in Admin Recharges (-£54,820) – all as described in paragraph 1.6 above - the net cost of the Board's services has increased in the revised budget by **£114,350**.

2.3 The major variations that have been incorporated into the revised 2008/09 budget are listed in the variance analysis and are summarised below.

2.4 Gosport Market

Market income has deteriorated below that budgeted for 2008/09 (£158,380) and also that received for 2007/08 (£158,498). Reduced income of £122,390 has been included in the revised budget.

2.5 Parking

Parking fees and permit income are predicted to be below the originally budgeted figures for 2008/09 by £46,250 and £9,740 respectively.

2.6 Concessionary Travel

Notification has been received from the scheme operator (MCL) that the farepass scheme is likely to cost £152,380 less than budgeted in 2008/09. This budget is considered to be high risk as it is subject to external fluctuations that are difficult to predict with a potentially material effect on the Council's finances.

2.7 Bus Station

The reduction in income of £40,750 is due to units becoming vacant or being held empty pending redevelopment as predicted in the last budget monitor. The reduced level of income is also reflected in the budget for 2009/10.

2.8 Budget Monitoring Report

The last budget monitoring report issued to members in November 2008 included an increase in the revised budget for this board of £175,270. The increase at paragraph 2.2 is £114,350. The reduced additional cost is due to a variety of smaller variances that have arisen during the budget process.

3.0 BUDGET 2009/10

3.1 The budget for 2009/10 for this Board is £7,361,460, an increase of £216,960 (3%) on the original budget for 2008/09 of £7,144,500; and an increase of £121,040 (1.7%) on the revised budget for 2008/09 of £7,240,420.

3.2 Excluding the decrease in Capital Finance charges (-£22,680) and the movement in Admin Recharges (+£42,550) - as described in paragraph 1.6 above - the net cost of the Board's services has increased by **£101,170** from the revised budget to the estimated budget.

3.3 The major variations are listed in the variance analysis with the major ones including:

3.4 Gosport Museum

The Council's contribution that is paid to the County Council towards the running of the museum has been reduced by £20,000 (was £80,000).

3.5 Parking

Parking fees and fines are predicted to recover slightly in 2009/10 by £20,000 and £23,000 respectively.

3.6 Provision for a Christmas Fayre at £18,000 has been included for 2009/10.

3.7 Tenanted Buildings special maintenance is included for Grange Farm (driveway) £17,300 and Middlebarn Cottage (external maintenance and a kitchen) £8,370

3.8 Appendix A contains a full list of the Board's special maintenance schemes for 2009/10.

4.0 FEES AND CHARGES 2009/10

- 4.1 The recommended fees and charges are included within the draft Fees and Charges book.

5.0 CAPITAL PROGRAMME 2008/09 TO 2013/14

- 5.1 The draft Capital Programme is included on pages 47 to 50 of the Budget Book.
- 5.2 Where capital expenditure is not supported by external funding (government grant, developer contributions, commuted sums etc) there is a direct and material impact on the Council's revenue budget by way of lost interest and borrowing costs. This is projected to have an increasing impact over the next few years.
- 5.3 The figures in the columns headed 'Local Resources' at the right hand side of the capital programme pages show those schemes that do not benefit from external funding and therefore either draw on what remains of the Council's general capital receipts or may require borrowing.
- 5.4 The full capital programme including the overall funding and the end impact on the revenue budget will be considered by P&O Board on 4th February as part of the overall Council budget.
- 5.5 The capital programme includes for the following major schemes
- Item 5. Landing Stage replacement
 - Item 27. Holbrook Recreation Centre replacement

Both the successful negotiation and receipt of external contributions and the receipt and application of future capital receipts are key elements in the funding of these schemes. In order to ensure that receipts are maximised and are not hampered by the economic climate, it may be necessary to undertake further borrowing to temporarily fund these schemes.

6.0 RISK ASSESSMENT

- 6.1 Generally, Council budgeting processes include an element of risk in respect of the many variables involved. These include:
- New statutory responsibilities
 - Government led or notified activities
 - Demand led activities which may result in the Council have to react to external factors
 - Contractual obligations
 - Market & economic factors including interest rates

- 6.2 To counter these risks and uncertainties, the Council aims to be proactive in monitoring and controlling its services and budgets and taking prompt corrective action when necessary.
- 6.3 C&E Board budgets that are considered high risk include Concessionary Travel and Gosport Market income.
- 6.4 Budget risks are considered further in the Council Budget report to P&O Board due to their potential impact on the robustness of the Council budget and reserve levels.

7.0 CONCLUSION

- 7.1 This report summarises the C&E Board revenue and capital budgets for 2008/09 and 2009/10 together with it's fees and charges and seeks a recommendation of the Board's requirements to P&O Board.

Financial implications:	As contained in the report.
Legal implications:	The Council has to set a balanced and robust budget and is also under an obligation to carry out its functions effectively, efficiently and economically
Service Improvement Plan implications:	The budget submissions reflect both service improvement plans and the corporate plan.
Corporate Plan	
Risk Assessment	As contained in section 6 of the report
Background papers:	Budget working papers
Appendices:	Appendix A – Special Maintenance items
Report Author:	John Norman

APPENDIX A

SPECIAL MAINTENANCE

COST CENTRE & DESCRIPTION	ORIGINAL 2008/2009 £	REVISED 2008/2009 £	ESTIMATE 2009/2010 £	Page
LC01 Cemetery				
Railings	12,000	12,000	0	5
LA02 Open Spaces				
Lee recreation perimeter fencing upgrade			7,500	
Grove Road recreation - Bow top railings			5,000	
Esplanade seating upgrade			7,500	
Elson recreation car park lining & hatching			2,000	
Military Road to GAFIRS - Provide footway at junction			3,500	
Lee on Solent central promenade railings			8,250	
Brookers Field - Perimeter fence upgrade			8,600	
LM07 Open Space Events				
Stokes Bay - Upgrade facilities for events	0	0	5,000	
LA04 Stokes Bay Pool				
Drainage & painting	7,000	7,000	0	
LM05 Public Conveniences				9
Pump replacement	5,000	5,600	5,000	
LT06 Grange Farm Depot				11
Resurfacing to Carriage Way/Car Parking Areas	0	0	17,300	
LT09 Middle Barn Cottage				
New Kitchen	0	0	5,870	
TOTAL COMMUNITY & ENVIRONMENT BOARD	24,000	24,600	75,520	