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26 January 2010

## **S U M M O N S**

**MEETING:** Community and Environment Board (Extraordinary Meeting)  
**DATE:** 3 February 2010  
**TIME:** 6.00pm  
**PLACE:** Committee Room 1, Town Hall, Gosport  
**Democratic Services contact:** Lisa Reade

LINDA EDWARDS  
BOROUGH SOLICITOR

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### **MEMBERS OF THE BOARD**

The Mayor (Councillor Mrs Searle) (ex officio)  
Chairman of the Policy and Organisation Board  
(Councillor Hook (ex-officio)  
Councillor Burgess (Chairman)  
Councillor Kimber (Vice Chairman)

Councillor Beavis	Councillor Forder
Councillor Cully	Councillor Mrs Mitchell-Smith
Councillor Edgar	Councillor Murphy
Councillor Mrs Forder	Councillor Wright

### **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. Councillors are requested to note that, if any Councillor who is not a Member of the Board 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 1 February 2010. 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 1 February 2010).*

5. BOARD BUDGET 2010/2011

*To consider the Board's revised 2009/10 and 2010/11 budgets, including the Board's fees and charges for 2010/11 and capital programme, and recommend thereon to the Policy and Organisation Board for inclusion in the Council's overall budget proposals.*

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.*

<b>Board:</b>	<b>COMMUNITY AND ENVIRONMENT BOARD</b>
<b>Date of meeting:</b>	<b>3 FEBRUARY 2010</b>
<b>Title:</b>	<b>BOARD BUDGET 2010-2011</b>
<b>Author:</b>	<b>FINANCIAL SERVICES MANAGER</b>
<b>Status:</b>	<b>FOR RECOMMENDATION</b>

### **Purpose**

The purpose of this report is to consider the Board's revised 2009/10 and 2010/11 budgets, including the Board's fees and charges for 2010/11 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 2009/10 and estimate 2010/11)
- the fees and charges for 2010/11
- the capital programme 2009/10 to 2014/15

## **1.0 BACKGROUND**

- 1.1 The Board is required to consider and recommend to P&O Board its requirements for the 2009/10 and 2010/11 financial years.
- 1.2 P&O Board will consider its own and other Board requirements on 3<sup>rd</sup> 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 2010/11. The draft figures have been compiled in line with the guidance contained in the Council's budget strategy (P&O Board 24<sup>th</sup> June 2009).
- 1.4 This Boards budgets are contained on the following pages:
  - Revenue budgets        pages 3 to 14
  - Capital Programme        pages 47 & 48
  - Revenue variances        pages 57 & 58

1.5 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.

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

	ORIGINAL 2009/10 £	REVISED 2009/10 £	BUDGET 2010/11 £
Employees	283,960	279,070	287,140
Premises	713,530	764,560	642,430
Transport	23,760	18,380	19,820
Supplies and Services	596,180	593,410	530,960
Third Party Payments	3,477,780	3,460,040	3,506,650
Transfer Payments	1,055,990	1,171,260	1,167,070
Support Services	2,851,700	2,563,380	2,701,100
Depreciation & Impairment			
Losses	750,410	882,860	851,600
Miscellaneous		0	0
	<b>9,753,310</b>	<b>9,732,960</b>	<b>9,706,770</b>
Income - Grants Deferred	359,880	381,760	381,760
Income - Other	2,044,970	2,039,920	2,065,530
	<b>7,348,460</b>	<b>7,311,280</b>	<b>7,259,480</b>

- 1.7 This report also serves the purpose of updating members on the budget position for C&E Board generally for 2009/10 – effectively fulfilling the role of a third quarters budget monitoring report.

## 2.0 REVISED BUDGET 2009/10

- 2.1 The revised budget for 2009/10 for this Board is £7,311,280, a decrease of £37,180 (0.5%) on the original budget for 2009/10 of £7,348,460.

- 2.2 Excluding the increase in Capital Finance charges (£132,450), Grants Deferred (-£21,880) and the movement in Admin Recharges (-£288,320) – all as described in paragraph 1.5 above - the net cost of the Board's services has increased in the revised budget by **£140,570**.

- 2.3 The major variations that have been incorporated into the revised 2009/10 budget are listed in the variance analysis and are summarised below.

- 2.4 Gosport Market

An increase in budgeted net costs of approximately £72,480 is predicted, comprising the estimated costs of employing a market inspector, trade refuse charges plus a predicted shortfall in budgeted income. The market is being actively promoted and a prudent increase in income is predicted for 2010/11.

- 2.5 Waste

Net additional income of approximately £74,850 is mainly attributable to an increase in recycling income from Project Integra (£108,470) offset

by replacement bottle banks, mixed glass containers and additional dual use dog / litter bins.

#### 2.6 Concessionary Travel

Additional expenditure on bus passes is likely to be approximately £130,000 higher than budget due to a mixture of increased usage and operator claims.

#### 2.7 Traffic Agency Deficiency

Personnel Sub-Board on 5<sup>th</sup> February 2009 approved not renewing the Traffic Management and Highways Development Control Agencies. The associated reduction of budgeted income from the County for 2009/10 is £98,200. The corresponding salary saving from the transferred staff is included within reduced administration recharges.

### 3.0 BUDGET 2010/11

3.1 The budget for 2010/11 for this Board is £7,259,480, a decrease of £88,980 (1.2%) on the original budget for 2009/10 of £7,348,460; and a decrease of £51,800 (0.7%) on the revised budget for 2009/10 of £7,311,280.

3.2 Excluding the decrease in Capital Finance charges (-£31,260) and the movement in Admin Recharges (+£137,720) - as described in paragraph 1.5 above - the net cost of the Board's services has decreased by **£158,260** from the revised budget to the estimated budget.

3.3 The major variations include:

#### 3.4 Gosport Market

Increased income of £17,600 as outlined above.

#### 3.5 Cemetery

Increased income from Portchester Crematorium of £25,000

#### 3.6 Open Spaces

A reduction in special maintenance of £31,980 for works undertaken in 2009/10.

#### 3.7 Waste

Net reduced expenditure of £10,330 which reflects increased contract costs (+£31,510) and reduced bottle bank and dog / litter bin costs (-£39,720).

#### 3.8 Street Cleansing

LPSA2 grant of £21,520 will be received in 2010/11.

### 3.9 Tenanted Buildings

A reduction in special maintenance of £24,800 for works undertaken in 2009/10 at Grange Farm Depot and Middle Barn Cottage.

### 3.10 Appendix A contains a list of the Board's special maintenance schemes for 2010/11

## 4.0 FEES AND CHARGES 2010/11

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

## 5.0 CAPITAL PROGRAMME 2009/10 TO 2014/15

### 5.1 The draft Capital Programme is included on pages 47 and 48 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 3<sup>rd</sup> February as part of the overall Council budget.

### 5.5 The capital programme includes for the following major schemes

- Item 3. Landing Stage replacement
- Item 12. Gosport Leisure 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.



- 5.6 Capital schemes with expenditure of below £100,000 in the revised budget are listed in Appendix B and are included as one summarised total in the full capital programme within the Council's Budget Book

## **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 Council budget and reserve levels.

## **7.0 CONCLUSION**

- 7.1 This report summarises the C&E Board revenue and capital budgets for 2009/10 and 2010/11 together with its fees and charges and seeks a recommendation of the Board's requirements to P&O Board.

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

**SPECIAL MAINTENANCE ITEMS**

<b>COST CENTRE &amp; DESCRIPTION</b>	<b>ORIGINAL 2009/2010</b>	<b>REVISED 2009/2010</b>	<b>ESTIMATE 2010/2011</b>	<b>Page</b>
<b>LA02 Open Spaces</b>				5
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		
Shelter Upgrade Lee and Stokes Bay 3yrs @ 5k		5,000		
	<b>47,350</b>	<b>47,350</b>		
<b>LA02 Open Spaces</b>				
Gosport & L-O-S Seating Renewal				
Lee Steps to Promenade - Lighting			4,750	
Privett Gardens - Fence Line Renewal			4,000	
Lec Rec Pavilion - Provision of Disabled equipment			7,750	
Petanque				
			<b>16,500</b>	
<b>LC01 Cemetery</b>				
Data Base Recording			6,500	
<b>LM07 Open Space Events</b>				
Stokes Bay - Upgrade facilities for events	5,000	0	0	
<b>LM05 Public Conveniences</b>				9
Pump replacement	5,000	1,860	0	
<b>LS04 Football</b>				5
Pavilion - Internal refurbishment	0	0	4,500	
<b>LT06 Grange Farm Depot</b>				11
Resurfacing to Carriage Way/Car Parking Areas	17,300	17,300	0	
<b>LT09 Middle Barn Cottage</b>				
New Kitchen	5,870	7,500	0	
<b>TOTAL</b>	<b>80,520</b>	<b>74,010</b>	<b>27,500</b>	

## APPENDIX B

Item No	SUMMARISED CAPITAL SCHEMES	Expenditure	From Local Resources
		2009/10 £,000	2009/10 £,000
3	St Vincent - Artificial Turf Pitch	16	0
4	High Street Refurbishment	55	55
5	L-O-S Embankment Regrading	80	80
6	Tukes Avenue Playing Field - Facility Upgrade	5	3
7	Nobes Avenue - Play Area, Equipment Renewal	10	6
8	Improvement Works to Solent Gardens	2	2
9	Fairway Play Area Equipment	4	0
10	Hardway Sailing Club - replace public slipway	40	8
11	Rowner Cricket Club - fencing upgrade	6	5
12	Privett Park Tennis Courts - surface upgrade	25	0
13	Cherque Farm - provision of play areas	18	0
14	Disabled Toilets refurbishment	6	6
15	Bridgemary, Elson & Leesland - Play Areas	39	20
16	Pirates Cove Play Area - New Play Equipment	12	0
17	Walpole Park Skatepark - Provide extension to existing skate park facility	6	0
18	Bus Shelters - A32 Purchase (14)	70	0
19	Alver Valley - BMX Bow Top Railings	10	10
20	Elson Skateboard & BMX Track	11	0
21	17th Century Village - Buildings Upgrade	20	20
22	Leesland Skatepark - provide concrete equipment & perimeter railings (MUGA area refurbishment)	65	0
23	Leesland Park Play Area - equipment & safety surfacing upgrade	35	0
24	Stokes Bay Promenade - maintenance of promenade & rolling programme of resurfacing	45	45
25	Ann's Hill Cemetery - tractor replacement	25	25
26	Privett Park - resurface car park	65	0
27	Ann's Hill Cemetery - railing renewals	30	30
28	Military Road (to Gafirs) - resurface carriageway	24	24
29	Old Road Play Area - upgrade equipment	27	0
30	Brockhurst Allotments - Security, Improvements & Car Parking Provision	62	62
31	Privett Park - Play Improvements	35	35
32	Privett Gardens - Improvements	30	30
33	Walpole Park Play Area - improvements	33	0
34	Petanque Pitches at Stokes Bay	17	0
35	Leesland & Tukes Avenue Allotments - Car Parking & Perimeter Railings	10	10
36	Waterfront Brasserie - Pumping Chamber Upgrade	8	8
37	Transfer of Play Areas at Priddys Hard	46	0
		<b>992</b>	<b>484</b>