

A MEETING OF THE POLICY AND ORGANISATION BOARD

WAS HELD ON 30 JANUARY 2007

The Mayor (Councillor Mrs Cully) (ex-officio); Chairman of the Policy and Organisation Board (Councillor Cully) (P); Councillors Burgess (P), Carter (P), Chegwyn (P), Gill (P), Hook (P), Langdon (P), Smith, Taylor (P) and Wright (P) .

It was reported that, in accordance with Standing Orders, Councillor Ms Ballard had been nominated to attend this meeting in place of Councillor Smith.

41. APOLOGIES

Apologies for inability to attend the meeting were submitted on behalf of the Mayor and Councillor Smith.

42. DECLARATIONS OF INTEREST

There were no declarations of interest.

PART I

43. TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS 2007/08

Consideration was given to a report of the Financial Services Manager (a copy of which is affixed in the Minute Book as Appendix A), which covered the operation of the Council's prudential indicators and its treasury function activities for the forthcoming year.

The Board was requested to approve the report and refer it to Council for formal approval, including the prudential indicators and limits within the report, and specific provisions with immediate effect.

RECOMMENDED: That the Financial Services Manager's report be approved, including the prudential indicators and limits within the report, and the following specific provisions with immediate effect:

- a) the new Investment Strategy;
- b) the use of R P Martins as an Authorised Money Broker;
- c) investment counterparties to include UK and Irish Clearing Banks & their wholly-owned subsidiaries and UK Building Societies, subject to Moody's credit ratings of at least P1 (short-term) and A3 (long-term); and
- d) investment exposure of no more than £4M with any one institution other than the Council's bank (consolidated total including wholly-owned subsidiaries).

44. COUNCIL BUDGET 2007/08

Consideration was given to a report of the Deputy Chief Executive and Borough Treasurer (a copy of which is affixed in the Minute Book as Appendix B), which outlined the financial situation of the Council's General Fund in the current year and, after consideration of the main factors affecting the outlook for 2007/08 including Exchequer support and Reserve levels, recommended a budget level for that year.

The proposed budget consolidated the requirements of the Policy and Organisation Board plus the Community and Environment and Housing (General Fund) Boards as cross referenced.

The revised 2006/07 budget totalled £11,739,310, the same as the original. This had been achieved by making use of a substantial supplementary estimate from reserves.

Members were advised that the final Exchequer Grant figure for 2007/08 of £7,110,143 was £244,088 higher than that for the current year.

The 2007/08 budget totalled £12,302,210 and this represented an increase of £562,900(4.8%) over the 2006/07 budget.

Provision had been made in the 2007/08 budget to continue restoring reserves. General Fund Working Balance would be increased by £20,000 to £860,000 during 2007/8 and Revenue Financing Reserve would increase by £42,000 to £331,650.

The Council's capital programme for the 6 years to 2011/12 amounted to over £37M and would require the use of capital receipts and borrowing totalling in excess of £12M.

The report advised Members that the proposed 2007/08 budget of £12,302,210 was considered both balanced and robust, producing an increase of 4% in Gosport's share of the Council Tax. The outlook for 2008/9 and beyond was further upward pressure on budgets, in excess of general inflation.

RECOMMENDED: That Council approve a revised 2006/2007 budget totalling £11,739,310 and a budget for 2007/2008 totalling £12,302,210 (including a net contribution to reserves of £46,760).

PART II

45. BOARD BUDGET 2007/08

The Board received a report of the Financial Services Manager, which considered the Board's revised 2006/07 and 2007/08 budgets, including the Board's fees and charges for 2007/08 and capital programme, and recommended their inclusion in the Council's overall budget proposals.

RESOLVED: That the Financial Services Manager's report be accepted and forwarded without debate for consideration under Minute No. 44 above.

Policy and Organisation Board
30 January 2007

The meeting commenced at 6.00 p.m. and concluded at 6.02 p.m.

CHAIRMAN