



BUDGET AND COUNCIL TAX CONSULTATION 2008/09

Chairman - Councillor Robert Bucke (Finance Portfolio Holder)

Presented by - Richard Barrett (Deputy Head of Financial Services)

In Attendance:

- Councillor David Lines (Executive Leader)
- John Hawkins (Chief Executive)
- Karen Neath (Head of Financial Services)

Audience

- Representatives of Business Rate Payers
- Community and Voluntary Groups



PURPOSE OF MEETING

**CONSULT AND HAVE A DIALOGUE
ABOUT THE COUNCIL'S BUDGET AND
COUNCIL TAX LEVY PROPOSALS FOR**

2008/09



Presentation Outline

- **Quick Look Back to 2007/08**
- **Financial Strategy Overview 2008/09**
- **Revenue Budget Summary 2008/09**
- **Key Investment Items 2008/09**
- **Capital Programme Summary 2008/09**
- **Financial Strategy 2009/10 and beyond**



2007/08

COUNCIL TAX BILL

- Continuation of a financial risk management based approach including cost pressures and addressing other up coming financial challenges
- Budget requirement of £20.077m
- Includes approx. £3m of one-off funding:
 - Invest in the district
 - Support the position for 2008/09
- Government continued with 'capping' powers
- 4.9% increase for Tendring District Council
- 2nd lowest Council Tax in Essex



2007/08

COUNCIL TAX BILL (cont)

	BAND D	INCREASE OF
TENDRING DISTRICT COUNCIL	£138.58	4.9%
PARISHES	£25.16	4.8%
ESSEX COUNTY COUNCIL	£1003.95	4.5%
FIRE AUTHORITY	£59.94	2.9%
POLICE AUTHORITY	£116.46	4.9%

TOTAL AVERAGE COUNCIL TAX £1,344.09

4.9%



FINANCIAL STRATEGY OVERVIEW 2008/09

- **National issues impacting on Financial Strategy**
 - **White Paper (Strong and Prosperous Communities) and LG & PIH Act**
 - **Comprehensive Spending Review 2007**
 - **Annual efficiency gains of 3%**
 - **'Capping' powers to remain**
 - **External Funding Streams**
 - **National Concessionary Fares Scheme**



FINANCIAL STRATEGY OVERVIEW 2008/09

- **Local issues impacting on Financial Strategy**
 - **Low council tax and wide service base over wide geographical area including coastal infrastructure**
 - **Cost pressures have been excluded in the past**
 - **Cost pressures continually emerging**
 - **Inflationary pressures**
 - **New responsibilities**



FINANCIAL STRATEGY OVERVIEW 2008/09

- **Challenging financial environment in 2009/10 and beyond**
- **Must take stock of this position and plan ahead**
- **Continuing approach of using any additional resources for one-off expenditure to help balance the budget the following year.**



BUDGET PROPOSALS

2008/09

	£m
Base Budget	20.077
Removal of 2007/08 One-off Items	(2.721)
External / Grant Funding Removed	1.658
Inflation and Increments	0.725
Cost pressures included in the budget	0.660
Other budget adjustments	0.443
BUDGET REQUIREMENT	20.842



BUDGET PROPOSALS

2008/09

	2007/08	2008/09
	£m	£m
Budget Before Use of Reserves	23.135	23.567
Use of Uncommitted Reserves	(0.004)	-
Use of Earmarked Reserves	(3.054)	(2.725)
Budget Requirement	20.077	20.842



BUDGET PROPOSALS 2008/09

<i>Key Items / Changes included in the Budget</i>	<i>£m</i>
Concessionary Fares	0.523
Local Development Framework	0.123
Reduction in Land Charges Income	0.130
Additional Pension Costs	0.055
ICT Infrastructure and Projects	0.468
Investment and Borrowing	(0.227)



BUDGET PROPOSALS 2008/09

- **In December 2007 the Minister of State for Local Government confirmed provisional grant settlement for 2008/09 – Final figures due mid January**
- **LA's should not necessarily assume same capping criteria as in previous years**



BUDGET PROPOSALS

2008/09

<i>Budget Requirement met by:</i>	£m
Provisional Government Grant	13.438
Proposed Council Tax (increase of 4.0%)	7.244
Surplus on collection fund	0.160
TOTAL FUNDING	20.842



Key Investments 08/09

<u>POTENTIAL ONE-OFF FUNDING</u>	£m
Resources Available within 2008/09 Budget <i>(After taking account of funding revised CTax Increase)</i>	0.457
Resources Available from 2007/08	1.010
Review of the Capital Programme	0.287
Use of Earmarked Reserves	0.739
TOTAL AVAILABLE ONE-OFF FUNDING	2.493



Key Investments 08/09

	£m
Regeneration Projects and Initiatives	1.295
Harwich Master Plan - Initial Funding	0.200
CCHS - Potential Contribution to Changing Rooms Project	0.100
District Wide Car Park Maintenance	0.050
Works to Privately Maintained Public Highway	0.020
Works to Clacton Cemetery Chapel	0.010
Works to Dovercourt Cemetery Chapel	0.006
Weeley Crematorium Chapel - Air Conditioning	0.015
Increased Funding to Harwich TIC	0.004



Key Investments 08/09

Brightlingsea Swimming Pool	0.050
Bightlingsea Swimming Pool Community Partnership	0.050
Residents Parking Zones - Clacton, Harwich, Walton	0.010
Dovercourt Swimming Pool Maintenance	0.017
Seafront Shelters Refurbishment Programme	0.030
Additional Support to the Voluntary Sector	0.100
Service Improvement Budget	<hr/> 0.536
	<hr/> 2.493 <hr/>



RISKS AND RESERVES

2008/09

- **There are risks within the strategy**
 - **Awaiting confirmation of some government grants**
 - **Unfunded cost pressures**
 - **Inflation, interest and pay award**
 - **New / Emerging Cost Pressures**

- **Mitigate against these risks**
 - **Alternative Responses**
 - **Reserves**



PROPOSED CAPITAL PROGRAMME 2007/08

	2007/08	2008/09
	£m	£m
Housing	4.436	4.185
Non Housing	8.866	1.752
TOTAL	13.302	5.937
 <i>FUNDED BY</i>		
Borrowing	0.998	0.655
Grants	4.709	3.006
External Contributions	0.546	0.157
Capital Receipts	3.154	0.749
Earmarked Reserves	3.572	0.831
Revenue Contribution	0.323	0.539
TOTAL	13.302	5.937



FINALISATION OF BUDGET PROCESS 2008/09

- **17 AND 18 JANUARY 2008** – REVIEW OF THE BUDGET BY CORPORATE MANAGEMENT COMMITTEE – Detailed budget proposals considered and comments fed back to Cabinet
- **30 JANUARY 2008** - CABINET RECOMMEND FINAL FINANCIAL STRATEGY AND BUDGET TO COUNCIL – Takes into account comments from Corporate Management Committee and from today's meeting
- **FEBRUARY 2008** – COUNCIL APPROVE BUDGET AND COUNCIL TAX



FINANCIAL STRATEGY 2009/10 AND BEYOND

- **Initial Financial Strategy forecasts continuing cost pressures and therefore potential funding ‘gaps’ in the medium term of -**
 - £1.780 for 2009/10**
 - £1.273m for 2010/11**
 - £1.523m for 2011/12**
 - £1.532m for 2012/13**
- **There are unfunded cost pressures and additional cost pressures likely to emerge**
- **Pressure remains on council tax levels and the need to reduce / limit annual budget increases**
- **Continue with the financial strategy process**
- **Maximise efficiencies**
- **Continually review how we deliver our services**



AND FINALLY.....

COMMENTS

AND

QUESTIONS