

Agenda Item:

Report to: Overview & Scrutiny Committee for Resources

Date: 12 February 2007

Report from: Deputy Chief Executive & Director of Finance

Title of report: **CONSULTATION ON THE REVENUE BUDGET 2006- 07
REVISED & 2007- 08 CAPITAL PROGRAMME 2007- 08 TO
2009- 10**

Purpose of report: To consult members of the Overview & Scrutiny Committee on the Revenue Budget and Capital Programme as part of the public consultation process

Recommendations: Members comments are sought and will be reported back to the Budget Cabinet on 21 February 2007

1.0 Summary

- 1.1 The Revenue Budget 2006-07 Revised & 2007-08 and the Capital Programme 2006-07 to 2009-10 went before Cabinet on 22 January 2007 for their consideration.
- 1.2 Cabinet resolved that the Revenue Budget and Capital Programme now went to the Overview & Scrutiny Committees as part of the public consultation process.
- 1.3 The comments received from the consultation process will be reported back to the Budget Cabinet meeting on 21 February 2007.

Appendices

Appendix 1 – Excerpt from Cabinet minutes (22 January 2007)

Appendix 2 – Revenue Budget 2006-07 Revised & 2007-08 and the Capital Programme 2006-07 to 2009-10 report to Cabinet (22 January 2007)

It is not possible to produce Appendix 2 on the Internet. If you would like a copy of the document please contact Katrina Strong on 01424 451747 or kstrong@hastings.gov.uk

Officer to contact:

Neil Dart, Deputy Chief Executive & Director of Finance
Telephone: (01424) 451714, email: ndart@hastings.gov.uk

Brian Haydon, Executive Manager, Financial Services
Telephone (01424) 451503, email: bhaydon@hastings.gov.uk

CABINET, 22 JANUARY 2007**90 REVENUE BUDGET 2006-07 REVISED AND 2007-08 CAPITAL PROGRAMME 2006-07 TO 2009-10**

The Deputy Chief Executive & Director of Finance and the Executive Manager, Financial Services submitted a report containing proposals for the Council's revenue budget and Capital Programme. The priorities and initiatives set out in the Corporate Plan would be resourced by this budget.

Capital expenditure for the current year was now projected to be some £3m less than the original forecast. Capital investment for the three years commencing 1 April 2007 was programmed at over £32m. This was the maximum affordable and was reliant on extensive external funding, including over £9m Government grant to support programmed Coast Protection schemes.

Despite continuing cost pressures in respect of waste activities, the current year's overall net revenue spend was expected to be contained within original budget expectations. Net expenditure of £16.4m, of which Council taxpayers would meet £6.3m, was proposed for 2007-08. If the recommendations in the report were approved, the increase in the Borough's part of the Council Tax would be 3.5%.

Extensive consultation would be carried out as outlined in the report. The comments from all sources will be reported to the meeting of Cabinet on 21 February. Recommendations on the level of the Council Tax could not be made until that meeting. By then the County Council, Fire & Rescue Authority and the Police Authority precepts should be known. Council on the 22 February would make the final decisions.

Updated budget report appendices G and K had been circulated to members prior to the meeting. The Deputy Chief Executive & Director of Finance also advised that the figures for future revenue shortfalls in paragraphs 1.7 and 9.2 of the report should now read around £400,000 in 2008-09 and £1.4m in 2009-10.

Councillor Birch and Councillor Smith, Spokespersons for the Labour and Liberal Democrat Groups, addressed Cabinet.

RESOLVED (unanimously) - that the following be approved for the purposes of public consultation:-

Capital Programme

- (1) approve the capital programme for the period to 31 March 2010, together with assumed slippage in the programme of £1,000,000;**
- (2) agree that schemes marked with an asterisk can proceed without further reference to Cabinet or Council;**
- (3) approve the Land Disposal Programme;**

2006-07 Revised Budget

- (4) approve the revised revenue budget for 2006-07, including the transfer from the General Reserve;**

Reserves

- (5) agree the proposed expenditure from the Renewal and Repairs Reserve and Information Technology Reserve (Appendices J and I respectively) and those items from other reserves shown in Appendix H that can proceed without further reference to Cabinet;**

2007-08 Budget

- (6) assume an allowance for staff turnover of £125,000;**
- (7) agree to a contingency of £275,000 (£175,000 general expenditure and £100,000 Renewal & Repairs Reserve) being included within the budget;**
- (8) approve the 2007-08 revenue budget at a figure of £16,461,820;**
- (9) use £264,020 from the General Reserve during 2007-08 to support all expenditure over £16,197,800; and**

2008-09 and Beyond

- (10) agree that a continuing focus be given to the Priorities Income and Expenditure Reviews (PIER) process to balance the future budget position. This to be an early corporate priority and include a reassessment of corporate and service priorities.**