

Report

- Subject:** : City Area Revised Budget 2007/2008 and Original Budget 2008/2009
City Area Capital Programme 2007/2008 to 2012/2013
- Report to** : City Area Committee (Community)
- Date** : 22 January 2008
- Report of** : Head of Financial Services
- Authors** : Matthew Tiller – Chief Accountant and Geoff Hatcher –
Management Accountant
-

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to:
- (i) Seek approval for the City Area Committee's revised revenue budget for 2007/2008 and original budget for 2008/2009.
 - (ii) Seek approval for the City Area Committee's capital programme for 2007/2008 to 2012/2013.
 - (iii) Provide details of the estimated resources available at different levels of Band D equivalent Special Expenses Levy.

2. POLICY CONSIDERATIONS

- 2.1 The Council believes in the use of its resources to provide flexible and responsive services, which offer best value, and excellent customer service. The Council gives the opportunity for the community at large to influence spending plans through consultation and community planning.
- 2.2 The overriding priority of the Committee in making final decisions must be to set a balanced budget and comply with statutory requirements. The Local Government Act 2003 legislates that the Chief Financial Officer gives a positive assurance about the robustness of the estimates and of an appropriate level of reserves. If the recommendations in the report are followed then this will prevail.
- 2.3 A fundamental review of all budgets has been carried out as part of the budget setting process which has resulted in a number of variations.



Awarded in:
Housing Services
Waste and Recycling Services



- 2.4 A consultation is currently underway to inform a decision as to the future provision of local services in the City Area, potentially by a new parish council. This decision will affect the financial arrangements in the City Area, however for 2008/2009 the status quo remains.

3. BACKGROUND - CITY AREA

- 3.1 The City Area Committee is financed by a Special Expenses Levy, which is levied solely upon the residents of Salisbury City.
- 3.2 It is recommended that a prudent level of general reserves is £50,000 (representing approximately 10% of the overall levy).

4 REVENUE BUDGET - REVISED 2007/2008 AND ORIGINAL 2008/2009

- 4.1 It will be essential to continue to constantly fine-tune the budget during the course of the coming year through rigorous budget monitoring.
- 4.2 The detailed draft revenue budget for 2008/2009 and revised estimate for 2007/2008 for the Committee is attached at **Appendix A**.
- 4.3 A further statement showing the movement from the 2007/2008 original estimate to 2007/2008 revised estimate and to the original estimate for 2008/2009 is attached at **Appendix B**.
- 4.4 When preparing the budget it is necessary to use a percentage increase to prepare the figures. For these papers a 5% increase in the City Area Special Levy has been used, in keeping with the Council's overall Medium Term Financial Strategy (MTFS). This will be amended once the final increase has been approved.

5. BUDGET 2007/2008

- 5.1 Attached at **Appendix D** is a schedule showing the estimated effects on financial resources available at different levels of increase in the Special Levy.
- 5.2 The draft City Area Committee Capital Programme is attached at **Appendix E**. Members will note that although the Capital Programme for 2007/2008 totals £27,390, it is proposed to finance all of this from R2 funding. In 2008/2009 an additional £259,000 is proposed to be financed from R2 and £200,000 from earmarked reserves. From 2009/2010 onwards £100,000 per annum has been included for schemes to be financed by the earmarked reserve. As individual schemes are approved by the Committee this will be re-profiled accordingly.

6. FEES AND CHARGES

- 6.1 It is proposed that fees and charges be increased in order to produce a general rise of 5% in 2008/2009. The individual Service Managers have been tasked with updating individual fees and charges to ensure the overall targets for increased income are achieved. This is attached at **Appendix F**.

7. RESERVE MOVEMENT

A statement giving details of reserves is attached at **Appendix C**.

- 7.1 The projected level of the General City Reserves as at 31 March 2008 is estimated to be £197,861.
- 7.2 Within the Council's capital reserves remains a sum of £500,000 for future capital schemes. These are shown in the Council's overall capital programme.

7.3. At the start of this financial year the Committee had a sum of £39,225 which was ring-fenced to finance the new cemetery. In the year, approximately £1,000 of this will be spent. There will be annual revenue implications of closing the two existing large cemeteries and operating a new one as previously reported. These will be reflected in future years.

8. CITY SPECIAL EXPENSES LEVEL

8.1 There is a range of options for the City Special Expenses Levy rise for 2008/2009. These are shown in **Appendix D**. A 5% rise would return a further £97,159 to reserves. Members are requested to determine the City Special Expenses Levy for 2008/2009.

9. RECOMMENDATIONS

9.1 Members are asked to:

- (1) Approve the Committee's revised revenue budget for 2007/2008 and original budget for 2008/2009.
- (2) Approve the Committee's capital programme for 2007/2008 to 2012/2013.
- (3) Recommend the appropriate City Special Levy for 2008/2009 to full Council.
- (4) Approve an increase in fees and charges by an average of 5% for 2008/2009.

10. IMPLICATIONS:

- **Financial:** The City Area and reserves are robust.
- **Legal:** Section 34 of the Local Government Act 1992 ["the Act"] and the Local Authorities [Calculation of Council Tax Base] Regulations 1992 as amended require the Council to calculate the amount of any items of expenditure which relates to part only of the Council's area. This enables the Council to collect as council tax the contributions of the residents in that area for these expenses provided the Council has defined them as "special expenses" in a resolution in force at the time it makes the calculations.
- **Human Rights:** Compliance with the requirement of the Act by the Council to consult persons or bodies who appear to be representative of non domestic ratepayers in the District each financial year and in relation to the Council's proposed expenditure prior to finalisation of the Council's budget should meet any human rights obligations.
- **Personnel:** None
- **Community Safety:** None
- **Environmental:** None
- **Council's Core Values:** The revenue budget is a financial expression of the Council's aims and objectives, underpinned by the Council's core values.
- **Ward(s) Affected:** All City Area

Salisbury City Portfolio

2006/2007		2007/2008		2007/2008		2007/2008		2008/2009	
Actual Outturn		Code	Service	Original budget	Latest Approved Month 6	Revised Estimate	Original Estimate		
£				£	£	£	£		£
			Allotments						
3,472	G2A	Allotments General		6,300	6,300	3,650	5,550		
39	G2B	Stratford-Sub-Castle		(340)	(340)	600	(60)		
260	G2C	Westwood		130	130	60	80		
(5)	G2D	Wiltshire Road		-	-	(30)	(30)		
(641)	G2E	The Tunnel		(840)	(840)	(860)	(980)		
(504)	G2F	Coldharbour Lane		(510)	(510)	(690)	(750)		
(696)	G2G	New Butts		(830)	(830)	(770)	(820)		
(429)	G2H	Warres Trust		(510)	(510)	(720)	(740)		
(1,759)	G2J	London Road		(1,270)	(1,270)	(1,180)	(1,260)		
(739)	G2K	Fisherton Farm		(2,560)	(2,560)	(590)	(680)		
1,002	G2L	Cow Lane		430	430	530	(310)		
-				-	-	-	-		-
			Cemeteries						
(1,628)	G1A	London Road Cemetery		8,670	8,670	(1,080)	8,050		
7,365	G1B	Devizes Road Cemetery		11,060	11,060	10,420	11,480		
5,737				19,730	19,730	9,340	19,530		
			Miscellaneous						
142,340	G8A	Administration		136,480	136,480	137,190	137,190		
6,797	G8B	Other Charges/Contract Costs		(1,820)	(1,820)	(17,220)	(12,760)		
149,138				134,660	134,660	119,970	124,430		
			Other Services						
71,119	G5F	Verge Gardens & Shrubberies		71,150	71,150	77,760	71,150		
41,512	G6A	Children's Playgrounds		36,330	36,330	36,780	36,890		
301	G6B	Monuments		4,710	4,710	5,190	4,610		
4,419	G6C	Seats		8,780	8,780	11,540	8,780		
18,321	G6D	Highways Grasscutting		25,340	25,340	25,340	26,500		
8,049	G6E	Bus Shelters		9,750	9,750	14,520	14,530		
21,141	G7A	City Tree Maintenance Programme		20,560	20,560	27,000	37,000		
164,862				176,620	176,620	198,130	199,460		
			Open Spaces						
16,949	G4B	Bourne Hill & Greencroft		17,240	17,240	18,840	17,240		
17,257	G4C	Churchill Gardens		26,590	26,590	26,790	26,800		
-	G4D	Bemerton Recreation Ground		-	-	-	-		
16,415	G4E	Queen Elizabeth Gardens		16,910	16,910	17,490	24,410		
2,322	G4F	Middle Street Open Space		2,910	2,910	2,820	2,810		
1,000	G4G	Meyrick Close		1,000	1,000	1,000	1,000		
5,290	G4H	St.Marks Open Space		5,450	5,450	5,450	5,450		
3,550	G4J	Maltings Amenity Area		2,300	2,300	2,300	2,300		
9,150	G5A	Carpet Bedding Displays		9,150	9,150	9,600	9,200		
190	G5B	Annual Flower Show		310	310	-	310		
10,970	G5C	Closed Churchyards		11,370	11,370	11,510	11,370		
7,300	G5D	Bemerton Folly		6,880	6,880	6,880	6,880		
8,675	G5E	Harnham Slope		8,590	8,590	8,590	8,590		
99,068				108,700	108,700	111,270	116,360		
			Recreation Grounds						
48,505	G3A	Victoria Park		47,680	47,680	47,460	47,470		
5,778	G3B	Fisherton Recreation Ground		6,670	6,670	6,810	6,750		
(1,849)	G3C	Old Sarum Rec Ground (Hudson's Field)		1,770	1,770	(15,840)	(19,310)		
7,776	G3D	Bishopdown Sportsfield		8,020	8,020	8,220	8,170		
10,606	G3E	Warre Acres		11,280	11,280	11,590	11,580		
605	G4A	Westwood Sportsfield		410	410	410	410		
71,422				75,830	75,830	58,650	55,070		
490,227			Total Salisbury City	515,540	515,540	497,360	514,850		
			City Summary						
			City Area Committee	515,540	515,540	497,360	514,850		
			Contribution (from)/to City Area Reserves	67,060	67,060	85,240	97,160		
			City Area Special Levy	582,600	582,600	582,600	612,010		

CITY AREA COMMITTEE

Special Levy

2007/2008 Revised Estimate	Variations	2008/2009 Original Estimate
£		£
515,540	BASE - 2007/2008 ORIGINAL BUDGET - STANDSTILL	515,540
	<u>2007/2008 Recurring</u>	
(9,750)	Increase Cemetery Income	(9,750)
(20,000)	Increase Camping Club Income	(20,000)
6,610	Extra R&M Grass Verges	6,610
4,110	Extra Seats expenditure	4,110
4,990	Extra Bus Shelter expenditure due to vandalism	4,990
6,400	Extra expenditure on tree works	6,400
(4,240)	Remove added years contributions	(4,240)
(10,500)	Extra Interest earned	(10,500)
4,200	Miscellaneous adjustments	4,200
(18,180)		(18,180)
85,240	Contribution to City Reserves	85,240
582,600	City Area Net Expenditure 2007/2008	582,600
	<u>Month 3 Budget Variations</u>	
0		0
	<u>Month 6 Budget Variations</u>	
0		0
	<u>Growth Areas</u>	
	<u>2008/2009 Recurring</u>	
	Increase Cemetery Income	9,130
	Cost of staff Queen Elizabeth Gardens	7,500
	Extra R&M Grass Verges	(6,610)
	Extra Seats expenditure	(4,110)
	Extra expenditure on tree works	10,000
	Extra Interest earned	4,130
	Miscellaneous adjustments	(2,550)
0		17,490
582,600	City Area Subtotal	600,090
	Movement in Contribution to City Area Reserves	11,920
582,600	TOTAL CITY AREA COMMITTEE	612,010

City Area Reserve Position

	2007/08 Revised £	2008/09 Original £	2009/10 Original £
City Area Reserve Account			
Opening Balance as at 1 April	(126,351)	(197,861)	(283,190)
Special Levy	(582,600)	(612,009)	(642,609)
Original Budget Predicted Spend	515,540	514,850	514,850
Projected underspend on City	(18,180)	0	0
Deficit on Allotment Revenue Account	13,730	11,830	11,830
Transfer to Earmarked Reserve	0	0	0
Balance at Year End	<u>(197,861)</u>	<u>(283,190)</u>	<u>(399,119)</u>
City Earmarked Reserve	£	£	£
Opening Balance as at 1 April	(500,000)	(500,000)	(300,000)
Spend in Year	0	200,000	100,000
Transfer from City Reserve	0	0	0
Balance at Year End	<u>(500,000)</u>	<u>(300,000)</u>	<u>(200,000)</u>
Cemetery Reserve Account	£	£	£
Opening Balance as at 1 April	(39,225)	(38,225)	(38,225)
Spend in Year	1,000	0	38,225
Balance at Year End	<u>(38,225)</u>	<u>(38,225)</u>	<u>0</u>

ILLUSTRATIVE LEVELS OF CITY AREA PRECEPT
EFFECT ON FINANCIAL RESOURCES 2008/2009 (REVENUE)

% INCREASE	0%	4%	4.25%	4.5%	4.75%	5%
MONETARY (DECREASE)/INCREASE PER ANNUM	0.00	£1.55	£1.65	£1.75	£1.85	£1.94
MONETARY (DECREASE)/INCREASE PER WEEK	0.00	£0.03	£0.03	£0.03	£0.04	£0.04
	£	£	£	£	£	£
BAND D COUNCIL TAX	38.85	40.40	40.50	40.60	40.70	40.79
<u>RESOURCES</u>						
	£	£	£	£	£	£
LOCAL FUNDING FROM TAXATION	(582,865)	(606,180)	(607,637)	(609,094)	(610,551)	(612,009)
<u>BUDGET REQUIREMENT (STANDSTILL)</u>	514,850	514,850	514,850	514,850	514,850	514,850
(Surplus)/Deficit	(68,015)	(91,330)	(92,787)	(94,244)	(95,701)	(97,159)

Note:

Council Tax base	15002.97
£1 increase raises	£15,003
1% raises	£5,829

Proposed Fees and Charges 2008/09
Sports & Recreation Facilities:

	Site	Facility	Fee 07/08	Fee 08/09
1	Hudsons Field	Football/Rugby/Cricket senior	32-00	34-50
		Football/Rugby/Cricket junior	18-00	19-00
		Circus	420-00 / 100-00	450-00 / 100-00
		Special Events - Commercial	365-00 / 100-00	380-00 / 100-00
		- Charity	100-00 / 25-00	100-00 / 25-00
2	Bishopdown	Football senior	32-00	34-50
		Football junior	18-00	19-00
3	Harnham Rec	Cricket senior	32-00	34-50
		Cricket junior	18-00	19-00
4	N/hampton Road	Football senior	32-00	34-50
		Football junior	18-00	19-00
		Rugby senior	32-00	34-50
5	Portway	Football junior	18-00	19-00
6	Middle Street	Football senior	32-00	34-50
		Football junior	18-00	19-00
7	Victoria Park	Football senior	38-00	40-00
		Football junior	23-00	24-00
8	Allotments	Per Rod: 2008 £3-35 * // 2009 £3-50 * // 2010 £3-80 *		
9	Ashley Rd	Fair - 5 Day visit	880-00	920-00
		Hot air balloon launches	32-00	34-50

Notes:

1. All fees are inclusive of VAT unless marked * (which are VAT exempt)
2. Fees at Hudsons Field for Circus and Special Events are for day of event / setting up day.
3. Fees for tennis, crazy golf and petanque at Victoria Park are set by the management agreement. For further details Tel: 01722-415089
4. Please note: The fees for Netherhampton Rd and Portway are general fund items, all others are from the Special Expense account.

Proposed Fees and Charges 2008/09
Cemeteries (London Rd & Devizes Rd):

	Item		Fee 07/08	Fee 08/09
1	Interment Fees - Grave *	Under 17	Nil	Nil
		Adult	285-00	300-00
2	Interment Fees * (Cremated Remains)	Exclusive Rights of Burial	100-00	105-00
		Scattering Remains on Grave	42-00	45-00
3	Exclusive Burial Right Purchase *	Under 17	150-00	155-00
		Adult	320-00	340-00
4	Exclusive Cremated Remains Purchase *		100-00	105-00
5	Copy of Register of burials		22-00	23-00
6	Memorials (To erect on an exclusive rights grave)	Flat Stone 2' x 2'	45-00	47-00
	Headstone	Up To 3' High	100-00	105-00
		3' up to 6' High	150-00	155-00
		Kerbs	220-00	230-00
		Moveable Vase	45-00	47-00
		Additional Inscription	45-00	47-00

Notes:

- All Fees are inclusive of VAT unless marked * (which are VAT exempt)
- All Fees doubled if deceased was a resident from outside the City boundary
- Cemetery fees are Special Expense items.
- A separate Fee structure will be set for the new cemetery - a report will be submitted in due course to the relevant Committee.