



## REVENUE BUDGET AND CONSULTATION

- ### Content
- Financial Position
  - CSR07
  - Lyons Inquiry
  - Consultation
  - Special Expenses

- ### Introduction
- Context:
    - Budgets are not about figures.....
    - .....but about outcomes!

- ### Capital Definition 1
- Local Government Act 2003
    - Expenditure of the Authority which falls to be capitalised in accordance with proper practice.
  - Local Government and Housing Act 1989
    - Acquisition of land
    - Acquisition, construction etc of roads, buildings etc.
    - Acquisition etc of plant, machinery, vehicles etc

- ### Capital Definition 2
- Local Government and Housing Act 1989
  - Enhancement of asset
    - Lengthen substantially useful life
    - Increase substantially the open market value
    - Increase substantially the extent of use

- ### Revenue
- The simplest definition is
    - “...anything that is not capital!”

### BUDGETARY PROCESS

- Largely Incremental
  - Employees
  - Energy
  - Contracts
- Others Frozen
- Savings and Growth
  - Informed through consultation

### Zero Based Budgeting

- Principle
  - What do you want to deliver?
  - Build a budget from scratch
  - Where are we now compared to where we want to be
  - Plan how to get from A to B

### CENTRAL GOVT GRANT

- 2004/05 £6.014m
- 2005/06 £6.212m +3.29%
- 2006/07 £6.387m +2.82%
- 2006/07 £6.813m
- 2007/08 £6.801m -0.18%

### BAND D COUNCIL TAX


Kent County Council	964.17	72.8%
Kent Police Authority	122.18	9.2%
Kent Fire & Rescue	61.65	4.6%
Borough General	88.74	6.7%
RTW Special	88.09	6.7%
	1,324.83	100.0%

### My Simple Formula

- Cost of Living
- + Inflation
- + Unavoidable Growth
- > Increases to Government Grant and Council Tax
- = The Need to Reduce Net Expenditure by £800k-£900k

### Balanced Budget

Where Ongoing Expenditure is met from Fees, Charges, Government Grant and Council Tax with the Controlled use of Reserves being used to meet One Off Priority Spend.



### BUDGET GAPS

2007/08	£0.871m	£0.000m
2008/09	£1.677m	£0.385m
2009/10	£2.249m	£1.090m



### Key Message

- This is before significant increases to priority spend that could easily raise budget gap to **£1m+**

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- ### Target
- A balanced & sustainable budget
    - Controlled use of reserves
  - Additional funding for priorities

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- ### Planning Process:
- Improvements to the planning process:
    - Earlier start (initial position statement in June?)
    - Greater use of both corporate priorities and service planning to inform savings and growth
    - Earlier start to savings process with a view to balancing the budget
    - September deadline


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- ### Reserves (1)
- As at 31 March 2006
    - Capital Receipts £3.5m
    - General Reserves £2.4m
    - Earmarked Reserves £33.0m

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- ### Reserves (2)
- Reserve Policy
    - Planned Use of Reserves
    - Planned and Phased Reduction of Reliance on Investment Interest




### CSR 07

- Deferred until Autumn 2007
- Gershon and 3%
- Education, etc
- Local Government
  - Somersaults!!!



### Lyons' Inquiry (1)

- Council Tax (not broken)
  - Revaluation (2011)
  - 2 New Bands (2011)
  - Benefits (Rebates)
  - Capping (No)



### Lyons' Inquiry (2)

- Local Income Tax (No)
- Charging
  - Domestic Waste
  - Road Pricing
  - Tourist Tax (No)
- Business Rates
  - Private Sector Confidence!



### Consultation – iLocal

- 15 Responses
  - Concentrate on priorities
  - Council Tax above inflation
  - Sports' Facilities
  - Community Dev, Law and Order
  - Rise in Fees and Charges (Y&N)



### Consultation – Simalto

- A Brief Overview

### Interviews Conducted

Interviews were conducted in every ward, proportional to their populations

	Interviewed	
Tunbridge Wells	133	
West	103	
East	68	
<b>TOTAL</b>	<b>304</b>	

<b>Sex</b>	<b>Male</b>	<b>50%</b>	<b>Female</b>	<b>50%</b>		
<b>Age</b>	<b>18 - 40</b>	<b>33%</b>	<b>41 - 59</b>	<b>36%</b>	<b>60+</b>	<b>31%</b>
<b>Ethnicity</b>	<b>White British</b>	<b>98%</b>	<b>Other</b>	<b>2%</b>		

## What Services Were Shown?

- |                           |                          |
|---------------------------|--------------------------|
| 1. Recycling doorstep     | 14. Community safety     |
| 2. Recycling, bring sites | 15. CCTV                 |
| 3. Street furniture       | 16. Young people         |
| 4. Assembly hall          | 17. Affordable homes     |
| 5. Events program         | 18. Healthy living       |
| 6. Magazine               | 19. Older people         |
| 7. Tourism                | 20. Parks                |
| 8. Historic buildings     | 21. Complaints handling  |
| 9. Countryside            | 22. Christmas lights     |
| 10. Toilets               | 23. Town centre improves |
| 11. Home improvements     | 24. Play areas           |
| 12. Car park charges      | 25. Street cleaning      |
| 13. Car park maintenance  | 26. Noise complaints     |

## Satisfaction with Personal Choice Scenarios

	Very Unhappy	Slightly Unhappy	Uncertain	Quite Pleased	Very Pleased	Extremely Pleased
Base	85%	11%	3%	1%	0%	0%
+ 25 Points	10%	27%	18%	37%	7%	0%
+ 35 Points	2%	15%	13%	52%	15%	3%
+ 45 Points	1%	3%	14%	51%	25%	5%
+ 55 Points	1%	1%	7%	39%	39%	13%
Current	6%	9%	22%	53%	10%	0%

Current council expenditure is 55 points.  
Very few 'unhappy' with their choices at this cost.

## Summary 1 - Information

To maintain the current levels of service, council tax would have to increase by £10 more than the inflation %.

- 49% of residents opted for tax rises of this amount, to achieve their personal allocations of a net zero change budget.
- 9% opted to reduce tax by £16, and 12% chose to reduce tax by £8 for net services cuts.
- The elderly were marginally less keen on paying to maintain services, as were the 'Eastern' residents.

## Summary 2 – Recommendation

On balance, the research suggests the optimal council tax rise, from residents perspective, should be around £5 per year, plus an inflation % increase.

Reallocating current services budget to meet residents priorities would cause about 6% more residents to be 'pleased' with council performance.

## Summary 3 – Benefit Reductions Causing Least Displeasure.

Magazine – None

Tourism – TIC open for 6 days (from 7)

Home improvements – 30 fewer homes

Car parking charges – 10% increase

Assembly Hall – Reduce investment

Planning complaints – 40% response in 21 days (from 80%)

Christmas lights – Halve number

Events program – Reduce from 15 to 10

Historic buildings – Reduce from 7 to 3

Countryside – Reduce from 6 to 3 assisted schools

## Summary 4 – Enhancements causing most Satisfaction

Doorstep recycling – Plastic + tins

Community safety – 1 extra PCSO

Young people – 2 additional projects

Parks / open spaces – Improve

Street cleaning – 1 extra team

## Summary 5 – Services which should not be reduced

Doorstep recycling  
Bring sites  
Street furniture  
Toilets  
Community safety  
CCTV  
Young people activities  
Affordable homes  
Healthy living  
Older persons 'gardening'  
Parks / open spaces  
Play areas  
Street cleaning  
Noise complaints

### Consultation - Ward Walks

- Increase public engagement
- Councillors (all), Police, Health, Council officers, etc
- Highly publicised in chosen area
- Invitation - no cold calling
- Survey

### Consultation - You!

- An excellent forum
- Not in every council
- An excellent opportunity!

### Special Expenses

- General and Special Expenses
- Royal Tunbridge Wells
  - Camden Centre, Footway Lighting, Cemetery, Parks & Rec Grounds (Dunorlan), Disused Cemeteries, The Common, 400<sup>th</sup> Anniversary
- Review Required

### And Finally

- Any (more) Questions?