



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	
TOTAL	304	

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

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, 400th Anniversary
- Review Required

And Finally

- Any (more) Questions?