

HAMPSHIRE AND ISLE OF WIGHT LOCAL GOVERNMENT ASSOCIATION

26 January 2007

SUBSCRIPTIONS AND BUDGET FOR THE ASSOCIATION 2007/2008

Joint report by the Treasurer and the Director

RECOMMENDATIONS

- (1) That the budget for 2007/2008 be approved; and
 - (2) That the Association's membership subscription unit be increased by 2.4% to £2,100 from June 2007.
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BACKGROUND

1. The Association's year is from 1 June to 31 May. This enables Member Local Authorities to appoint their representatives after the elections. However, Member Authorities need to set their budgets now, so it is the Association's policy to set its budget for next year, and agree subscriptions, in January.
2. Member Authorities pay in accordance with their voting rights. Hampshire County Council has four votes and so pays four units of subscription. Unitary Authorities pay three. Police and Fire Authorities and District Councils pay two units. The National Park Authority pays one. The Associations of Parish and Town Councils (APTCs) pay £1 per parish a year. The current subscriptions and income are shown in the table below:-

Subscriptions for 2006/2007

	£
County Council (4 units)	8,200
Unitary Council (3 units)	6,150
District Council (2 units)	4,100
Police/Fire and Rescue Authority (2 units)	4,100
National Park Authority (1 unit)	2,050

FINANCIAL POSITION OF THE ASSOCIATION 2006/2007

3. The Annex shows the Association's expenditure last year, the budget and expected out-turn for this year and the budget proposed for next year.
4. The Association started the current year with an operating balance of £26,570. We aim to reduce the reserves to £15-£20,000 which represents two-three months' operating costs.

CAPACITY BUILDING

5. The Association has assisted Member authorities with capacity building particularly in the fields of scrutiny and Local Strategic Partnerships (LSPs). We have attracted £60,000 of Government grant over three years for LSP capacity building. Now we have a much more substantial £1.3m grant from the capacity building fund which is separately managed by the Improvement Board, outside the Association's accounts. Also there is now a regional capacity building fund for LSPs.

PROJECTIONS FOR 2007/2008

6. Projections for next year show a continuation of the process of reducing accumulated reserves. Whilst we carry on holding down office costs, inflationary pressures are reflected in staff costs.

SUBSCRIPTIONS FOR 2007/2008

7. It is proposed that the subscription unit be increased very roughly in line with inflation from £2,050 to £2,100 from June 2007. The proposed subscriptions are set out below:

Proposed Subscriptions for 2007/2008

	£
County Council (4 units)	8,400
Unitary Council (3 units)	6,300
District Council (2 units)	4,200
Police/Fire and Rescue Authority (2 units)	4,200
National Park Authority (1 unit)	2,100

8. The Association has a good record of holding down costs to Member Authorities and attracting grant to the area. The subscriptions unit in 1997 was £2,400. Now, ten years later, it is proposed at £2,100.

NICK TUSTIAN
Treasurer

NICK GOULDER
Director

Date: 17 January 2007

Annex: 1

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