

Council Wednesday 17th July 2013

Amendment to Item 11 - General Fund Revenue Outturn 2012/13

Proposed by Councillor Vinson:

Liberal Democrat Amendment General Fund Revenue Outturn 2012/13

Amends recommendation (v) to allocate £300,000 to the Risk Fund in 2013/14, to provide for possible pressures as a result of the Welfare reforms being introduced by Central Government rather than adding this amount to Contingencies.

Amends recommendation vi), which asks Council to approve the use of £1.5M of the 2012/13 under spend to fund the cost of the corporate items as set out in paragraph 17 of the General Fund Revenue Outturn report on the Council Agenda, increasing this amount to £4.4M to fund the cost of the corporate items as set out in Annex 1 to this Amendment.

Amends recommendation viii) to reflect the new position for balances as set out below and in Annex 3 to this Amendment.

It is recommended that Council:

- i) Notes the final outturn for 2012/13 detailed in Appendix 1 of the General Fund Revenue Outturn 2012/13 report on the Council agenda which is an under spend of £7.4M.
- ii) Notes the performance of individual Portfolios in managing their budgets as set out in paragraph 9 of the General Fund Revenue Outturn 2012/13 report on the Council agenda report and notes the major variances in Appendix 2 of this report
- iii) Notes re-phasing on the capital programme means that funding of £313,000 will be needed in future years when the capital spending takes place, as set out in paragraph 14 of the General Fund Revenue Outturn 2012/13 report on the Council agenda.
- iv) Approves the carry forward requests totalling £926,300, (of which £690,600 relates to central repairs and maintenance), as outlined in paragraph 15 and set out in detail in Appendix 3 of the General Fund Revenue Outturn 2012/13 report on the Council agenda.
- v) Approves the allocation of £300,000 of the 2012/13 under spend to increase the Risk Fund in 2013/14, to provide for possible pressures which may arise as a result of the Welfare reforms being introduced by Central Government.
- vi) Approves the use of £4.4M of the 2012/13 under spend to fund the cost of the corporate items, as set out in Annex 1 to this Amendment.
- vii) Approves the transfer to balances of £500,000 previously allocated within the 2013/14 budget to the Leaders Portfolio, as set out in paragraph 18 of the General Fund Revenue Outturn 2012/13 report on the Council agenda.
- viii) Notes the position for balances after taking into account the commitments outlined in this Amendment and the funding required for the current capital programme, as set out in Annex 3 to this Amendment.

ANNEX 1

Funding for a further six corporate issues is also requested from Council:

- Pay Reserve (£800,000) – It is proposed this year to add £0.8M to the Pay Reserve to make provision for any costs that may be incurred in relation to pay related issues. This will increase the total sum set aside in the Reserve in 2013/14 to just over £1.1M.
- Festivals (£50,000) – It is proposed to allocate £50,000 to enable events to be progressed and supported in the City in 2013/14. This will include support for Music in the City which is Southampton's premier music event celebrating and promoting musical talent within the City for the benefit of all residents and city visitors.
- Internships (£75,000) – It is proposed to allocate £25,000 per annum to enable an internship scheme to be developed and implemented in 2013/14, 2014/15 and 2015/16. The aim is to offer 20 six week placements in each of the three financial years.
- Planning Enforcement (£95,000) – It is proposed to allocate £25,000 in 2013/14 and £35,000 in both 2014/15 and 2015/16 to enable the creation of an additional 1.0 FTE Planning Enforcement Officer post.
- Highways Spending (£270,000) – It is proposed to allocate £70,000 in 2013/14 and £100,000 in both 2014/15 and 2015/16 to enable additional highways spend.
- Mitigation / Reversal of 2013/14 Approved Savings Proposals (£3,119,000) – It is proposed to allocate funding totalling just over £3.1M over the next three financial years as set out in Annex 2 to mitigate / reverse a number of savings proposals approved by Council in February 2013.

SUMMARY OF SPENDING TO MITIGATE / REVERSE 2013/14 APPROVED SAVINGS

Original Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2013/14	2014/15	2015/16	Senior Manager
				£000's	£000's	£000's	
	Adult Services - Income						
AS 10	Adult Disability Care Services	Increase in income arising from proposed changes to the Non Residential Charging Policy	ALLOW FURTHER PHASING - This was an addition to the estimate of additional income proposed and accepted in Feb 2012. Under the proposed charging policy there will be a greater degree of fairness to ensure that all chargeable services are actually charged for and that all clients will only pay what they can afford. The changes to day services charges will be phased in over three years with the proposed actual full cost rate being introduced fully in 2015/16.		40		Carol Valentine
	Sub-total			0	40	0	
	Adult Services - Service Reductions						
AS 12	Supporting People	Undertake cuts in the Supporting People programme, resulting in service reductions.	MITIGATE - Planned reductions to be made to contracts for older people, mental health, drugs and alcohol, homelessness and women fleeing domestic violence leading to remodelled services and reductions in accommodation and support would be mitigated. Several contracts are up for renewal. There could be impacts on other service areas including care budgets and health.	15	125	125	Stephanie Ramsey
AS 13	Adult Disability Commissioning	Advice and Information / Day Care contracts	REVERSE - Do not action the cessation of the Age Concern advice contract which could lead to the potential increase in referrals to Adult Contact Service. Do not reduce the SCA Day Care contract by 4% of placements for older people.	45	59	59	Stephanie Ramsey
AS 14	Wellbeing	Reducing the contract values to provide specific support for HIV/Aids	REVERSE - This support is non statutory. The funding allows for two organisations to provide counselling, training, individual support etc for individuals with HIV/Aids. The level of incidence of HIV/Aids in young adults has increased by more than half over the past five years. This proposal will not be actioned and no savign will be progressed.	25	33	33	Stephanie Ramsey
AS 15	Mental Health Commissioning	Drug Action Team - Reducing the commissioning budget to purchase services for drug users	MITIGATE - This mitigates the reduction of the DAT capacity to commission services. This service is currently not meeting all national targets. Services are currently out to tender to address this issue, improvement will be restricted by the proposed reduction in resources. In addition this reduction will limit the ability of the DAT to cope with the potential impact on the city arising from reductions within other Portfolios. This proposal will reduce the Adult Services contribution to drug services, although the Council will retain the responsibility and consequent contribution for the budget following the transfer of Public Health in 2013/14.	25	40	40	Stephanie Ramsey
	Sub-total			110	257	257	
	Adult Services Portfolio Total			110	297	257	

SUMMARY OF SPENDING TO MITIGATE / REVERSE 2013/14 APPROVED SAVINGS

Original Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2013/14	2014/15	2015/16	Senior Manager
				£000's	£000's	£000's	
Children's Services - Service Reductions							
CS 16	Prevention	Youth Support	MITIGATE - Reduce Council delivery of universal and targeted youth support services. Seek alternative providers and funders for open access youth provision	200	250	250	Graham Talbot
Sub-total				200	250	250	
Children's Services Portfolio Total				200	250	250	
Communities - Service Reductions							
COMM 4	Customer & Business Improvement	Reduce the Grants to Voluntary Organisations Budget by approximately 7% per annum	MITIGATE - The Cabinet agreed this principle in the context of approving the outcomes based commissioning model for grants. The level of reduction is subject to annual budget setting decisions by Full Council. Current applicants have been advised about recommendations made by officers and provided information on feedback to Members about the impact on their organisation. The recommendations are within the agreed budget limits. Revised proposal mitigates the planned reduction and this funding should be prioritised for the provision of welfare advice.	25	30	30	Suki Sitaram
COMM 7	Skills, Economy & Housing Renewal	Refocusing and reduction of City Limits	MITIGATE - Reduction of General Fund resources for City Limits Employment (53% of previous General Fund resources to be replaced by Housing Revenue Account funding). Potential impact on services for residents with learning difficulties/disabilities.	50	65	65	Suki Sitaram
Sub-total				75	95	95	
Communities Portfolio Total				75	95	95	
Environment & Transport - Income							
E&T 10	Parking and Patrol	Introduction of evening charges	MITIGATE - Charge £1 from 6pm to 8am - Currently there is no charge for on and off street evening parking in the City Centre with the exception of multi-storey car parks.	25	75	75	Paul Nichols
E&T 12	Parking and Patrol	Charge for first Residents Permit	REVERSE - Currently the first resident permit issued for a property is free. Introduction of an annual charge of £30 not to be progressed	70	130	130	Paul Nichols
Sub-total				95	205	205	

SUMMARY OF SPENDING TO MITIGATE / REVERSE 2013/14 APPROVED SAVINGS

Original Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2013/14	2014/15	2015/16	Senior Manager
				£000's	£000's	£000's	
Environment & Transport - Service Reductions							
E&T 23	Planning, Transport & Sustainability	Reduction in bus subsidies affecting evening bus services, night buses and the S1/S2 services plus the Hythe Ferry.	MITIGATE - 'All evening bus and night bus service subsidies will be removed plus all cross boundary subsidy. The night buses can be retained to 2015 using S106 funding. Some of these services may be replaced on a commercial basis. The S1/S2 services would be combined and provided on an off peak basis, leading to service reductions affecting Freemantle, Shirley and Lordshill. The subsidy for the Hythe Ferry is relatively small and it is unlikely that this will place the service at risk. Revised proposal to include retention of a Mansbridge service.	60	100	100	Paul Nichols
Sub-total				60	100	100	
Environment & Transport Portfolio Total				155	305	305	
Housing & Leisure Services - Service Reductions							
HLS 7	Leisure & Culture	Restructure of Leisure & Culture	MITIGATE - 'Review of Leisure & Culture team to provide focused contract management resource, and rationalise business support and project management. Restructure of the Arts & Heritage team, but maintenance of staffing resource committed to education and curatorial functions (including conservation) and enhancing the visitor management functions to provide greater focus on front of house operations. Risk of reputational damage and potential impact on 'Accreditation' for collections. Significant reduction in ability to respond to public enquiries regarding the collections.	35	40	40	Mike Harris
HLS 11	Street Cleansing	Reorganise and restructure the street cleansing service with reduced management and operational staff, fleet resources and move to a primarily reactive cleansing service model	MITIGATE - Significant staff, fleet and resource / overhead savings realised through moving to a more reactive service, with frequency of programmed mechanical sweeping operations reduced but response targeted within one working day of report for specific locations developing unacceptable build-ups of litter between routine cleans. Maintenance inputs for highly labour intensive areas such as the city centre, district centres and central estates also reduced.	100	150	150	Jon Dyer-Slade
HLS 13	Leisure & Culture	Reduction in Art Gallery opening hours	MITIGATE - Focus of opening hours at times where usage is highest and school visits can be maximised. New hours to be 10am to 2pm Monday to Friday, weekend hours to be determined. The shop will be located upstairs in the main gallery. Revised proposal to include a review of opening hours Monday to Friday.	20	30	30	Mike Harris
Sub-total				155	220	220	
Housing & Leisure Services Portfolio Total				155	220	220	

SUMMARY OF SPENDING TO MITIGATE / REVERSE 2013/14 APPROVED SAVINGS

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				£000's	£000's	£000's	
<u>Leader's - Service Reductions</u>							
LEAD 6	City Development	Deletion in posts and supplies & services		30	50	50	Barbara Compton
MITIGATE - Limited capacity to take on new projects or facilitate development schemes on non council land.							
Sub-total				30	50	50	
Leader's Portfolio Total				30	50	50	
GRAND TOTAL				725	1,217	1,177	

GENERAL FUND BALANCES

	2012/13	2013/14	2014/15	2015/16	Future Years
	£000's	£000's	£000's	£000's	£000's
Opening Balance	23,529.6	29,923.5	17,388.1	16,001.5	12,962.3
Draw to Support Capital		(209.6)			
(Draw to Support) / Contribution from Revenue	9,561.5	55.2	2,697.3	1,134.9	1,377.3
Contributions (to) / from Other Reserves	(1,300.0)	(800.0)			
Draw for Strategic Schemes	(1,867.6)	(11,581.0)	(4,083.9)	(4,174.1)	(4,627.2)
Closing Balance	29,923.5	17,388.1	16,001.5	12,962.3	9,712.4

Note

The uncommitted value of balances totals £9.7M which is £4.2M above the minimum level recommended by the Chief Financial Officer following a risk assessment of the required level to be maintained.

The above position reflects the removal of Direct Revenue Funding for Capital for the following items and replacement with borrowing and associated costs for interest and MRP if Asset Sales are not sufficient:

- Civic Centre refurbishment
- Civil Service Sports Ground
- DRF Slipped from 2012/13 (as per recommendation iii))