

Liberal Democrat Budget Resolution 2011/12

It is recommended that Council:

- i) Approves the Revised Budget for 2010/11 as set out in Appendix 2 to the General Fund Revenue Budget 2011/12 to 2013/14 report on the Council agenda , as amended by the changes in Section A of Appendix 1 to this Resolution.
- ii) Approves the use of £0.5M of in year under spends to increase the Organisational Development Reserve in 2010/11 to ensure that adequate provision is made for the costs associated with the implementation of staff related savings.
- iii) Notes the position on the forecast roll forward budget for 2011/12 as set out in paragraphs 13 to 23 of the General Fund Revenue Budget 2011/12 to 2013/14 report on the Council agenda, as amended by the changes in Section B of Appendix 1 to this Resolution.
- iv) Approves an additional draw from General Fund Balances of up to £0.5M in 2011/12 if required during the year.
- v) Approves the Invest to Save Bids as set out in Appendix 3 to the General Fund Revenue Budget 2011/12 to 2013/14 report on the Council agenda.
- vi) Approves the revenue pressures as set out in Appendix 4 to the General Fund Revenue Budget 2011/12 to 2013/14 report on the Council agenda.
- vii) Approves the Revenue Developments as set out in Appendix 5 to the General Fund Revenue Budget 2011/12 to 2013/14 report on the Council agenda, as amended by the changes in Section C of Appendix 1 to this Resolution.
- viii) Approves the Revenue Bids as amended by the changes in Section D of Appendix 1 to this Resolution
- ix) Approves the efficiencies, income and service reductions as set out in Appendix 6 to the General Fund Revenue Budget 2011/12 to 2013/14 report on the Council agenda, as amended by the changes in Section E and F of Appendix 1 to this Resolution.
- x) Approves the changes to staff terms and conditions set out in Appendix 7 to the General Fund Revenue Budget 2011/12 to 2013/14 report on the Council agenda, as amended by the changes in Section G of Appendix 1 to this Resolution.
- xi) Approves the dismissal and re-engagement of staff in order to implement the changes to terms and conditions in the event that a collective agreement cannot be reached with the Unions.

- xii) Delegates authority to the Chief Executive as Head of Paid Service in consultation with the Chief Financial Officer (CFO) and the Solicitor to the Council to take any steps in connection with amendments to the Terms and Conditions changes, the negotiation of any potential changes with the Unions and any process associated with the implementation of these changes.
- xiii) Delegates authority to the CFO in consultation with the Solicitor to the Council to make changes to the budget for 2011/12 to reflect negotiated changes to the proposals if a collective agreement cannot be reached with the Unions
- xiv) Notes that the Independent Remuneration Panel are currently being convened so that they may review and make recommendations on Members' Allowances to Standards and Governance Committee and thereafter Full Council before September 2011 as required by the law.
- xv) Approves the General Fund Revenue Budget as set out in Appendix 2 to this Resolution which takes account of these amendments and which assumes a council tax freeze, (the full calculation for which is set out in Appendix 3 to this Resolution).
- xvi) Delegates authority to the CFO to action all budget changes arising from the approved pressures, bids, efficiencies, income and service reductions and incorporate any other approved amendments into the General Fund estimates.
- xvii) Notes that after taking these items into account, there is an estimated General Fund balance of £4.5M at the end of 2013/14 as detailed in paragraph 54 of the General Fund Revenue Budget 2011/12 to 2013/14 report on the Council agenda and then amended by the changes set out in Appendix 1 to this Resolution.
- xviii) Delegates authority to the CFO, in consultation with the Solicitor to the Council, to do anything necessary to give effect to the recommendations in this Resolution.
- xix) Sets the Budget Requirement for 2011/12 at £190,685,200.
- xx) Notes the estimates of precepts on the Council Tax collection fund for 2011/12 as set out in Appendix 10 to the General Fund Revenue Budget 2011/12 to 2013/14 report on the Council agenda.
- xxi) Notes the Medium Term Forecast as set out in Appendix 4 to this Resolution.
- xxii) Authorises the Chief Executive and Chief Officers to pursue the development of the options for efficiencies, income and service reductions as set out in Appendix 6 for the financial years 2012/13 and 2013/14 and to continue to develop options to close the remaining projected gaps in those years.
- xxiii) Approves the following amounts now calculated by the Council for the year 2011/12 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:

- h) That it be noted for the year 2011/12 that the Hampshire Fire and Rescue Authority have stated the following amounts in precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown in the following table:

Valuation Bands	Amount
A	£40.92
B	£47.74
C	£54.56
D	£61.38
E	£75.02
F	£88.66
G	£102.30
H	£122.76

- l) That, having calculated the aggregate in each case of the amounts at f), g) and h) above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts of the Council Tax for the year 2011/12 for each of the categories of dwellings shown below:

Valuation Bands	Amount
A	£964.56
B	£1,125.32
C	£1,286.08
D	£1,446.84
E	£1,768.36
F	£2,089.88
G	£2,411.40
H	£2,893.68

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| a) Aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a to e) of the Act. | £554,826,200.00 |
| b) Aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a to c) of the Act. | £364,141,000.00 |
| c) Calculation in accordance with Section 32(4) of the Act, of the Council's budget requirement for the year, being the amount by which the aggregate at a) above exceeds the aggregate at b) above. | £190,685,200.00 |
| d) Aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grant, and adjusted by the net amount of the sums which the Council estimates will be transferred to / from its general fund to / from its collection fund in accordance with Section 97(3) of the Local Government Finance Act 1988 as amended by the Local Government Finance Act 1992. | £108,099,591.00 |
| e) The amount at c) above less the amount at d) above, all divided by the Council Tax base of 66,167.0 calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year. | £1,239.21 |

f) Precepting authority - Southampton City Council

Valuation Bands	Amount
A	£826.14
B	£963.83
C	£1,101.52
D	£1,239.21
E	£1,514.59
F	£1,789.97
G	£2,065.35
H	£2,478.42

Being the amounts given by multiplying the amount at e) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amount to be taken into account for the year in respect of dwellings listed in different valuation bands.

- g) That it be noted for the year 2011/12 that the Hampshire Police Authority have stated the following amounts in precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown in the following table:

Valuation Bands	Amount
A	£97.50
B	£113.75
C	£130.00
D	£146.25
E	£178.75
F	£211.25
G	£243.75
H	£292.50

LIBERAL DEMOCRAT GROUP BUDGET PROPOSALS
AMENDMENTS TO GENERAL FUND REVENUE BUDGET PAPERS

REF		BETTER £000's	WORSE £000's
<u>SECTION A - Amendments to Revised Budget 2010/11</u>			
NEW	Delete Revenue Contribution to Fund New Capital (Replace with Borrowing) and Draw From Balances to Support Revenue Position in 2011/12	(2,350)	
<u>SECTION B - Final Local Government Financial Settlement</u>			
	Amendment compared to Provisional Settlement		3
<u>SECTION C - Amendments to Revenue Developments</u>			
CORP 1	Remove Council Tax Discount	(1,000)	
E&T 1	Additional Highways Maintenance		200
<u>SECTION D - New Revenue Bids</u>			
NEW	Adjustment to Mini Budget Items:		
	- Increase Inclusion Spend (CSL 11)		50
	- Increase Junior Wardens Spend Junior Wardens (HLS 6)		20
	- Increase Housing Allocations spend		25
	- Remove charge for Visitor Parking Permits		85
	- Re-introduce Free Swimming for Under 9's		40
NEW	Additional Bus Service Spend		50
NEW	Christmas Lights subject to match funding from business		25
NEW	Southampton Music Festival		20
NEW	New borrowing to replace direct revenue contribution (if needed)		200
<u>SECTION E - Amended / Additional Savings</u>			
CSL 11	Updated Impact / Issues Wording - Reduction in the number of contracts with the private and voluntary sectors in line with increased targeting of services to children, young people and families most in need. Contractors will be provided with notice of the intent to cease contracts.		
ASCH 12	Reduced loss of services provided through voluntary sector grants		500

LIBERAL DEMOCRAT GROUP BUDGET PROPOSALS
AMENDMENTS TO GENERAL FUND REVENUE BUDGET PAPERS

REF		BETTER £000's	WORSE £000's
ASCH 14	Reduced reduction in Healthy Communities Team		40
CSL 9, 10 & 11	Maintain Youth Support, Family Support, Specialist Support and Inclusion Support work		750
CSL 12	Reduced reduction in staffing		60
LSCS 12	Abate the reduction in grant provision to the voluntary sector		400
NEW	Reduce Communications Budget	(300)	
NEW	Reduce Supplies & Services Budget	(500)	
NEW	Reduces Courses & Seminars Budget	(200)	
NEW	Reduce Contingencies to Zero	(250)	
NEW	New Homes Bonus Grant Income	(790)	
NEW	Shared Legal Service with Fareham	(40)	
NEW	Bring forward 10% of Work in Progress Savings for 2012/13	(570)	

SECTION F - Rejected Savings Proposals

ASCH 10	Freeze Meals on Wheels charges		45
CSL 7	Continue funding for School Behaviour Support Team		175
CSL 13	Retain free services to schools for specialist, single issue staff.		65
E&T 17	Freeze burial fees		45
E&T 25	Retain capacity for subsidies		90
E&T 26	Retain capacity for subsidies		60
E&T 30	Retain discounts for disabled drivers using the Itchen Bridge		25
E&T 31	Maintain work on envirocrime and fly tipping		25
E&T 34	Maintain free green waste collection		30
E&T 35	Maintain current rules for DIY waste disposal		10
HOU 5	Maintain scope of Private Sector Housing Service		54
LCH 3	Maintain Library services		246
LSCS 8	Retain current number of public toilets		60
LSCS 10	Maintain current level of Community Safety activity		100
LSCS 11	Retain the Communities team at current level		98

SECTION G- Amendments to Terms & Conditions Changes

	Remove Pay Reduction Proposal All Grades		3,000
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LIBERAL DEMOCRAT GROUP BUDGET PROPOSALS
AMENDMENTS TO GENERAL FUND REVENUE BUDGET PAPERS

REF	BETTER £000's	WORSE £000's
<u>Balances</u>		
Reduction in Addition to Balances	(596)	
	<hr/>	<hr/>
	(6,596)	6,596
Net Gap / (Surplus)		<hr/> 0 <hr/>

2011/12 GENERAL FUND REVENUE ACCOUNT

Portfolios	2011/12 Forecast £000's	Invest to Save Bids £000's	Revenue Pressures £000's	Revenue Bids £000's	Savings & Income £000's	2011/12 Budget £000's
Adult Social Care & Health	77,238.2	0.0	0.0	0.0	(2,634.2)	74,604.0
Children's Services	68,285.5	0.0	137.0	50.0	(1,675.5)	66,797.0
Environment & Transport	35,840.3	0.0	80.0	135.0	(1,350.7)	34,704.6
Housing	3,447.9	0.0	0.0	25.0	(185.9)	3,287.0
Leader's Portfolio	8,517.3	0.0	0.0	25.0	(730.2)	7,812.1
Leisure Culture & Heritage	13,345.0	0.0	0.0	60.0	(488.3)	12,916.7
Local Services & Community Safety	10,232.2	25.0	0.0	20.0	(434.8)	9,842.4
Resources & Workforce Planning	13,300.8	0.0	0.0	0.0	(1,700.4)	11,600.4
Sub-total for Portfolios	230,207.2	25.0	217.0	315.0	(9,200.0)	221,564.2
Levies & Contributions						
Southern Seas Fisheries Levy	48.5					48.5
Flood Defence Levy	44.5					44.5
Coroners Service	500.0					500.0
	593.0	0.0	0.0	0.0	0.0	593.0
Capital Asset Management						
Capital Financing Charges	12,826.6			200.0		13,026.6
Capital Asset Management Account	(24,041.1)					(24,041.1)
	(11,214.5)	0.0	0.0	200.0	0.0	(11,014.5)
Other Expenditure & Income						
Direct Revenue Financing of Capital	57.0					57.0
Trading Areas (Surplus) / Deficit	0.0				(20.0)	(20.0)
Net Housing Benefit Payments	(881.9)					(881.9)
Revenue Development Fund	0.0			1,448.3		1,448.3
Corporate Savings	0.0				(4,417.0)	(4,417.0)
Non-Specific Government Grants	(18,688.7)				(790.0)	(19,478.7)
Open Spaces and HRA	535.7					535.7
Risk Fund	6,100.0					6,100.0
Contingencies	250.0				(250.0)	0.0
Council Tax Freeze Grant	(2,065.7)					(2,065.7)
	(14,693.6)	0.0	0.0	1,448.3	(5,477.0)	(18,722.3)
NET GF SPENDING	204,892.1	25.0	217.0	1,963.3	(14,677.0)	192,420.4
Draw from Balances:						
Addition to / (Draw From) Balances (General To Fund the Capital Programme	1,268.1 (57.0)			285.0	(3,231.3)	(1,678.2) (57.0)
	1,211.1	0.0	0.0	285.0	(3,231.3)	(1,735.2)
Net Gap in Budget	15,418.0	25.0	217.0	2,248.3	(17,908.3)	0.0
BUDGET REQUIREMENT	190,685.2	0.0	0.0	0.0	0.0	190,685.2

COUNCIL TAX CALCULATION - 2011/12

	2010/11 £000's	2011/12 £000's	Change £000's	Change %
Budget Requirement (a)	183,269.6	190,685.2	7,415.6	4.05%
Less NDR	(87,436.7)	(80,096.8)		
Less RSG	(12,696.6)	(24,758.1)		
Aggregate External Finance	(100,133.3)	(104,854.9)	(4,721.6)	4.72%
Deficit / (Surplus) on Collection Fund	(1,141.8)	(3,244.7)	(2,102.9)	184.17%
Net Grant Income (b)	(101,275.1)	(108,099.6)	(6,824.5)	6.74%
Amount to be Met From Council Tax (a - b)	81,994.5	82,585.6	591.1	0.72%
Tax Base	66,167.0	66,644.0	477.0	0.72%
Basic Amount of Council Tax (Band D)	1,239.21	1,239.21	0.00	0.00%
Last Years Council Tax		1,239.21		
Increase (Cash)		0.00		
Increase (Cash per Week)		0.00		
Increase (%)		0.00%		

MEDIUM TERM FINANCIAL FORECAST

Portfolios	2011/12 Forecast £000's	Base Changes £000's	2012/13 Forecast £000's	Base Changes £000's	2013/14 Forecast £000's
Adult Social Care & Health	74,604.0		74,604.0		74,604.0
Children's Services	66,797.0		66,797.0		66,797.0
Environment & Transport	34,704.6		34,704.6		34,704.6
Housing	3,287.0		3,287.0		3,287.0
Leader's Portfolio	7,812.1		7,812.1		7,812.1
Leisure Culture & Heritage	12,916.7		12,916.7		12,916.7
Local Services & Community Safety	9,842.4		9,842.4		9,842.4
Resources & Workforce Planning	11,600.4		11,600.4		11,600.4
Base Changes & Inflation		5,814.0	5,814.0	8,255.0	14,069.0
Sub-total for Portfolios	221,564.2	5,814.0	227,378.2	8,255.0	235,633.2
Levies & Contributions					
Southern Seas Fisheries Levy	48.5		48.5		48.5
Flood Defence Levy	44.5		44.5		44.5
Coroners Service	500.0		500.0		500.0
	593.0	0.0	593.0	0.0	593.0
Capital Asset Management					
Capital Financing Charges	13,026.6	700.0	13,726.6	700.0	14,426.6
Capital Asset Management Account	(24,041.1)		(24,041.1)		(24,041.1)
	(11,014.5)	700.0	(10,314.5)	700.0	(9,614.5)
Other Expenditure & Income					
Direct Revenue Financing of Capital	57.0	(57.0)	0.0		0.0
Trading Areas (Surplus) / Deficit	(20.0)		(20.0)		(20.0)
Net Housing Benefit Payments	(881.9)		(881.9)		(881.9)
Revenue Development Fund	1,448.3	1,330.0	2,778.3	800.0	3,578.3
Corporate Savings	(4,417.0)	(2,270.0)	(6,687.0)		(6,687.0)
Non-Specific Government Grants	(19,478.7)		(19,478.7)		(19,478.7)
Open Spaces and HRA	535.7		535.7		535.7
Risk Fund	6,100.0	600.0	6,700.0	(700.0)	6,000.0
Contingencies	0.0		0.0		0.0
Council Tax Freeze Grant	(2,065.7)		(2,065.7)		(2,065.7)
	(18,722.3)	(397.0)	(19,119.3)	100.0	(19,019.3)
NET GF SPENDING	192,420.4	6,117.0	198,537.4	9,055.0	207,592.4
Draw from Balances:					
Addition to / (Draw From) Balances (General)	(1,678.2)	338.2	(1,340.0)	1,340.0	0.0
To Fund the Capital Programme	(57.0)	57.0	0.0		0.0
NET GAP IN BUDGET	(1,735.2)	395.2	(1,340.0)	1,340.0	0.0
Budget requirement	190,685.2	6,512.2	197,197.4	10,395.0	207,592.4
Capping Limit	190,685.2	(8,300.0)	182,385.2	(4,686.3)	177,698.9
Roll Forward Gap	0.0	14,812.2	14,812.2	15,081.3	29,893.5
Add Pressures - Future Years (Known)		0.0	0.0	0.0	0.0
Add Pressures - Future Years (Unknown)		1,000.0	1,000.0	1,000.0	2,000.0
Add Invest to Save Bids - Future Years (Known)		7.0	7.0	(32.0)	(25.0)
Less Savings - Future Years (Known)		(3,375.0)	(3,375.0)	(1,056.0)	(4,431.0)
Less Savings - Future Years (Work In Progress)		(5,674.0)	(5,674.0)	(4,677.0)	(10,351.0)
Revised Gap	0.0	6,770.2	6,770.2	10,316.3	17,086.5