

APPENDIX B

Labour Budget Resolution 2012/13

It is recommended that Council:

- i) Notes the Consultation process that was followed as outlined in Appendix 1 to the General Fund Revenue Budget 2012/13 to 2014/15 report on the Council agenda.
- ii) Notes the Equality Impact Assessment process that was followed as outlined in Appendix 2 to the General Fund Revenue Budget 2012/13 to 2014/15 report on the Council agenda.
- iii) Approves the revised estimate for 2011/12 as set out in Annex 1 to this Resolution. This reflects the notification of a refund of £1.3M from HMRC in respect of a Fleming Claim and transfers an additional £500,000 to the Pay Reserve, (subject to approval of recommendation viii below), over and above the £600,000 set aside as part of the 2012/13 budget.
- iv) Approves the use of £563,000 of in year under spend to increase the Interest Equalisation Reserve in 2011/12 to ensure that adequate provision is made for the future increase in interest costs associated with the ongoing utilisation of variable interest rates.
- v) Notes the position on the forecast roll forward budget for 2012/13 as set out in paragraphs 23 to 35 of the General Fund Revenue Budget 2012/13 to 2014/15 report on the Council agenda.
- vi) Approves the revenue bids set out in Appendix 4 to the General Fund Revenue Budget 2012/13 to 2014/15 report on the Council agenda as amended by the changes in Section A of Annex 2 to this Resolution.
- vii) Approves the efficiencies, income and service reductions as set out in Appendix 5 to the General Fund Revenue Budget 2012/13 to 2014/15 report on the Council agenda as amended by the changes in Section B & C of Annex 2 to this Resolution.
- viii) Approves the setting up of a Pay Reserve with an initial recurring contribution of £600,000 per annum, as set out in paragraph 63 of the General Fund Revenue Budget 2012/13 to 2014/15 report on the Council agenda.
- ix) Approves the changes to the discretionary redundancy policy as set out in paragraphs 65 to 72 of the General Fund Revenue Budget 2012/13 to 2014/15 report on the Council agenda.
- x) Notes the position of the current negotiations with Trade Unions with respect to Terms & Conditions changes implemented on 11 July, as set out in paragraphs 55 to 64 of the General Fund Revenue Budget 2012/13 to 2014/15 report on the Council agenda.

- xi) Approves the introduction of a revised approach to workforce management for all compulsory redundancies arising from the 2012/13 budget for an initial period of one year. This approach will allow a maximum redeployment period of 12 months, (including notice period), and involve retraining and active redeployment across the Council to more effectively management the changes required to the workforce.
- xii) Agrees to accept the one off Council Tax freeze grant funding for 2012/13 of £2.1M.
- xiii) Approves the General Fund Revenue Budget as set out in Annex 3 to this Resolution which implements a council tax freeze.
- xiv) Delegates authority to the Chief Financial Officer 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.
- xv) Approves a revised minimum balance of £5.0M as recommended by the Chief Financial Officer in line with the policy guidance outlined in paragraphs 81 to 83 of the General Fund Revenue Budget 2012/13 to 2014/15 report on the Council agenda.
- xvi) Notes that after taking these items into account, there is an estimated General Fund balance of £5.0M at the end of 2015/16 as detailed in paragraph 84 of the General Fund Revenue Budget 2012/13 to 2014/15 report on the Council agenda and then amended by the changes set out in Annex 2 to this Resolution.
- xvii) Delegates authority to the Chief Financial Officer, in consultation with the Director of Corporate Services, to do anything necessary to give effect to the recommendations in this report.
- xviii) Sets the Council Tax Requirement for 2012/13 at £83,205,500.
- xix) Notes the estimates of precepts on the Council Tax collection fund for 2012/13 as set out in Appendix 8 to the General Fund Revenue Budget 2012/13 to 2014/15 report on the Council agenda.
- xx) Notes the Medium Term Forecast as set out in Annex 5 to this Resolution.
- xxi) Authorises the Chief Executive and Chief Officers to pursue the development of the options for efficiencies, income and service reductions in later years as set out in Annex 5 to this Resolution and to continue to develop options to close the remaining projected gaps in those years.
- xxii) Approves the following amounts now calculated by the Council for the year 2012/13 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992 as amended (the Act):

- | | |
|---|-----------------|
| a) Aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act. | £608,270,000.00 |
| b) Aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. | £525,064,500.00 |
| c) Calculation in accordance with Section 31A(4) of the Act, of the Council's council tax requirement for the year, being the amount by which the aggregate at a) above exceeds the aggregate at b) above. (Item R in the formula in Section 31B(1) of the Act) | £83,205,500.00 |
| d) The amount at c) above (Item R), divided by the Council Tax base of 67,144.0 (Item T in the formula in Section 31B(1) of the Act), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year. | £1,239.21 |

e) 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 d) 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.

f) That it be noted for the year 2012/13 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

- g) That it be noted for the year 2012/13 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

- h) That, having calculated the aggregate in each case of the amounts at e), f) and g) above, the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts of the Council Tax for the year 2012/13 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

GENERAL FUND 2011/12 - REVISED BUDGET

	Working Budget £000's	Revised Budget £000's	Variance £000's
Portfolio Total	221,973	221,973	0
Levies & Contributions			
Southern Seas Fisheries Levy	49	46	3 F
Flood Defence Levy	45	43	1 F
Coroners Service	500	565	65 A
	593	654	61 A
Capital Asset Management			
Capital Financing Charges	13,327	11,766	1,561 F
Capital Asset Management Account	(24,541)	(24,541)	0
	(11,215)	(12,776)	1,561 F
Other Expenditure & Income			
Direct Revenue Financing of Capital	1,553	1,553	0
Net Housing Benefit Payments	(882)	(1,000)	118 F
Revenue Development Fund	1,190	1,090	100 F
Non-Specific Govt. Grants	(19,056)	(19,056)	0
Corporate Savings	(1,786)	0	1,786 A
Exceptional Items (*)	0	(4,102)	4,102 F
Contributions to Capital DRF Funding	0	1,045	1,045 A
Contribution to Interest Equalisation Reserve	0	563	563 A
Contribution to Pay Reserve	0	500	500 A
Council Tax Freeze Grant	(2,066)	(2,066)	0
Open Spaces and HRA	536	536	0
Risk Fund (Net of Portfolio Forecast Over Spend)	1,915	3,017	1,102 A
Contingencies	0	0	0
(Surplus) / Deficit on Trading Areas	(125)	(242)	117 F
	(18,720)	(18,161)	559 A
NET GF SPENDING	192,631	191,690	941 F
Draw from Balances:			
To fund the Capital Programme	(1,553)	(1,553)	0
Addition to Balances (General)	1,711	2,652	941 F
Draw from Strategic Reserve (OD Reserve))	(2,104)	(2,104)	0
	(1,946)	(1,005)	941 F
BUDGET REQUIREMENT	190,685	190,685	0 F

(* Reflects £1.3M refund from HMRC in respect of Fleming Claim)

LABOUR GROUP BUDGET PROPOSALS
AMENDMENTS TO GENERAL FUND REVENUE BUDGET PAPERS

REF.		BETTER £000's	WORSE £000's
<u>Section A - Revenue Bids</u>			
NEW a	EMA Scheme		100.0
NEW b	Apprenticeship Scheme		75.0
NEW c	Mount Pleasant Language School (One Year Initiative)		70.0
NEW d	Additional Funding for Sure Start (One Year Initiative)		100.0
NEW e	Additional Funding for Libraries (One Year Initiative)		100.0
NEW f	Funding for Jobs Model and Retraining (One Year Initiative)		200.0
<u>Section B - Additional Savings</u>			
NEW a	Reduce Council Tax Discount by 50% per annum	(500.0)	
<u>Section C - Rejected Savings Proposals</u>			
ASCH 12	Adult Disability Care Services - To increase income from clients in residential and non residential care through altering the charging policy and becoming more efficient with billing arrangements.		100.0
ASCH 14	Client Income - Increase in income from clients due to changes in the charging policy relating to predominantly day care and extra care schemes. In addition the full cost charged for Domicilliary care will be reviewed.		100.0
ASCH 16	Commissioning - Reduction in contracted advice and advocacy.		120.0
E&T 3	Environmental Health - Review of the Pest Control service		50.0
HOU 7	Parks & Street Cleansing - Charge organisers for events support in parks and review opportunities for charging for hosted commercial events.		10.0
HOU 9	Parks & Street Cleansing - Reduction in parks maintenance in non-HRA areas within East, West and Central District areas.		119.0
HOU 10	Parks & Street Cleansing - Reductions in Central District street cleansing activities		117.0
HOU 11	Parks & Street Cleansing - Reduce expenditure on East and West District street cleansing activities.		127.0
HOU 12	Parks & Street Cleansing - Reduction in Central Parks maintenance expenditure		24.0
<u>Section D - Balances</u>			
	Increased Draw from Balances	(912.0)	
		(1,412.0)	1,412.0
	Net Gap / (Surplus)		0.0

2012/13 GENERAL FUND REVENUE ACCOUNT

Portfolios	2012/13 Forecast £000's	Revenue Bids £000's	Revenue Pressures £000's	Savings & Income £000's	2012/13 Budget £000's
Adult Social Care & Health	73,438.2	0.0	0.0	(2,930.0)	70,508.2
Childrens Services & Learning	63,552.0	270.0	0.0	(3,315.0)	60,507.0
Environment & Transport	34,581.9	30.0	0.0	(1,834.0)	32,777.9
Housing	10,029.5	0.0	0.0	(593.0)	9,436.5
Leader's Portfolio	8,969.9	75.0	0.0	(1,162.0)	7,882.9
Leisure & Culture	14,146.0	100.0	0.0	(486.0)	13,760.0
Resources	17,958.2	200.0	0.0	(1,555.0)	16,603.2
Sub-total for Portfolios	222,675.7	675.0	0.0	(11,875.0)	211,475.7
Levies & Contributions					
Southern Seas Fisheries Levy	46.0				46.0
Flood Defence Levy	43.0				43.0
Coroners Service	560.0				560.0
	649.0	0.0	0.0	0.0	649.0
Capital Asset Management					
Capital Financing Charges	14,264.5				14,264.5
Capital Asset Management Account	(25,565.1)				(25,565.1)
	(11,300.6)	0.0	0.0	0.0	(11,300.6)
Other Expenditure & Income					
Direct Revenue Financing of Capital	492.0				492.0
Trading Areas (Surplus) / Deficit	(69.5)			(100.0)	(169.5)
Net Housing Benefit Payments	(881.9)				(881.9)
Market Supplements	500.0				500.0
Contribution to Pay Reserve	600.0				600.0
Removal of Council Tax Discount	0.0			(500.0)	(500.0)
Non-Specific Government Grants (*)	(120,810.8)				(120,810.8)
Council Tax Freeze Grant	(2,070.9)				(2,070.9)
Collection Fund Surplus	(373.2)				(373.2)
Open Spaces and HRA	535.7			(100.0)	435.7
Risk Fund	6,300.0				6,300.0
Contingencies	400.0				400.0
	(115,378.6)	0.0	0.0	(700.0)	(116,078.6)
NET GF SPENDING	96,645.5	675.0	0.0	(12,575.0)	84,745.5
Draw from Balances:					
Addition to / (Draw From) Balances	864.0			(1,912.0)	(1,048.0)
To Fund the Capital Programme	(492.0)				(492.0)
	372.0	0.0	0.0	(1,912.0)	(1,540.0)
Net Gap in Budget	13,812.0	675.0	0.0	(14,487.0)	(0.0)
COUNCIL TAX REQUIREMENT	83,205.5	0.0	0.0	(83,205.5)	0.0

(* Now also includes NNDR and RSG)

COUNCIL TAX CALCULATION - 2012/13

	2011/12 £000's	2012/13 £000's	Change £000's	Change %
Budget Requirement (a)	190,685.2	183,061.9	(7,623.3)	-4.00%
Less NDR	(80,096.8)	(97,591.4)		
Less RSG	(24,758.1)	(1,891.8)		
Aggregate External Finance	(104,854.9)	(99,483.2)	5,371.7	-5.12%
Deficit / (Surplus) on collection fund	(3,244.7)	(373.2)	2,871.5	-88.50%
Net Grant Income (b)	(108,099.6)	(99,856.4)	8,243.2	-7.63%
Council Tax Requirement (a - b)	82,585.6	83,205.5	619.9	0.75%
Tax base	66,644.0	67,144.0	500.0	0.75%
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	2012/13 Forecast £000's	Base Changes £000's	2013/14 Forecast £000's	Base Changes £000's	2014/15 Forecast £000's
Adult Social Care & Health	70,508.2		70,508.2		70,508.2
Childrens Services & Learning	60,507.0		60,507.0		60,507.0
Environment & Transport	32,777.9		32,777.9		32,777.9
Housing	9,436.5		9,436.5		9,436.5
Leader's Portfolio	7,882.9		7,882.9		7,882.9
Leisure & Culture	13,760.0		13,760.0		13,760.0
Resources	16,603.2		16,603.2		16,603.2
Base Changes & Inflation		10,542.8	10,542.8	8,100.0	18,642.8
Sub-total for Portfolios	211,475.7	10,542.8	222,018.5	8,100.0	230,118.5
Levies & Contributions					
Southern Seas Fisheries Levy	46.0		46.0		46.0
Flood Defence Levy	43.0		43.0		43.0
Coroners Service	560.0		560.0		560.0
	649.0	0.0	649.0	0.0	649.0
Capital Asset Management					
Capital Financing Charges	14,264.5	1,200.0	15,464.5	700.0	16,164.5
Capital Asset Management Account	(25,565.1)		(25,565.1)		(25,565.1)
	(11,300.6)	1,200.0	(10,100.6)	700.0	(9,400.6)
Other Expenditure & Income					
Direct Revenue Financing of Capital	492.0	(242.0)	250.0	(250.0)	0.0
Trading Areas (Surplus) / Deficit	(169.5)		(169.5)		(169.5)
Net Housing Benefit Payments	(881.9)		(881.9)		(881.9)
Market Supplements	500.0		500.0		500.0
Contribution to Pay Reserve	600.0		600.0		600.0
Removal of Council Tax Discount	(500.0)	(500.0)	(1,000.0)		(1,000.0)
Non-Specific Government Grants	(120,810.8)	10,191.1	(110,619.7)	7,744.3	(102,875.4)
Council Tax Freeze Grant	(2,070.9)	2,070.9	0.0		0.0
Collection Fund Surplus	(373.2)	373.2	0.0		0.0
Open Spaces and HRA	435.7		435.7		435.7
Risk Fund	6,300.0	2,300.0	8,600.0		8,600.0
Contingencies	400.0		400.0		400.0
	(116,078.6)	14,193.2	(101,885.4)	7,494.3	(94,391.1)
NET GF SPENDING	84,745.5	25,936.0	110,681.5	16,294.3	126,975.8
Draw from Balances:					
Addition to / (Draw From) Balances	(1,048.0)	5,048.0	4,000.0		4,000.0
To fund the Capital Programme	(492.0)	242.0	(250.0)	250.0	0.0
	(1,540.0)	5,290.0	3,750.0	250.0	4,000.0
Council Tax Requirement	83,205.5	31,226.0	114,431.5	16,544.3	130,975.8
Council Tax	83,205.5	2,078.5	85,284.0	2,133.6	87,417.6
Roll Forward Gap	(0.0)	29,147.5	29,147.5	14,410.7	43,558.2
Add Pressures - Future Years (Unknown)		1,000.0	1,000.0	1,000.0	2,000.0
Less Savings - Future Years (Known)		(2,361.0)	(2,361.0)	(260.0)	(2,621.0)
Less Savings - Future Years (Work In Progress)		(8,073.0)	(8,073.0)	(3,712.0)	(11,785.0)
Revised Gap	(0.0)	19,713.5	19,713.5	11,438.7	31,152.2

LABOUR GROUP BUDGET PROPOSALS
DIFFERENCE FROM THE PREVIOUSLY PUBLISHED BUDGET AMENDMENT

REF.		BETTER £000's	WORSE £000's
	<u>2011/12 Revised Budget</u>		
	Refund from HMRC in respect of Fleming Claim	(1,300.0)	
	Contribution to Pay Reserve in 2011/12		500.0
	Increased Addition to Balances		800.0
		<u>(1,300.0)</u>	<u>1,300.0</u>
	Net Gap / (Surplus)		<u><u>0.0</u></u>
	<u>2012/13 Budget Proposals</u>		
	<u>Additional Revenue Bids</u>		
NEW d	Additional Funding for Sure Start (One Year Initiative)		100.0
NEW e	Additional Funding for Libraries (One Year Initiative)		100.0
NEW f	Funding for Jobs Model and Retraining (One Year Initiative)		200.0
	<u>Additional Savings Not Included</u>		
NEW a	Remove Council Tax Discount		500.0
NEW b	Reduced Provision for Redundancy No Longer Achievable- Reflecting 5.00 FTE (7 Employees)		203.3
	<u>Rejected Savings Proposals Reinstated</u>		
E&T 2	Bereavement - Cemetery staff reduction	(13.0)	
HOU 4	Parks & Street Cleansing - Improve efficiency of specialist sports pitch maintenance team.	(21.0)	
HOU 6	Communities - Delete one managerial post	(53.0)	
LEAD 10	Community Safety and Emergency Planning - Reduce discretionary service activities by 60% (excluding minimum requirements for Emergency planning, statutory duties, plus public protection including specialist direct advice to highest risk victims of domestic violence and ASB and ICE bus)	(90.0)	
	<u>Balances</u>		
	Increased Draw From Balances	(926.3)	
		<u>(1,103.3)</u>	<u>1,103.3</u>
	Net Gap / (Surplus)		<u><u>0.0</u></u>