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SOUTHAMPTON CITY COUNCIL

MINUTES OF THE COUNCIL MEETING HELD ON 15 FEBRUARY 2012

Present:

The Mayor, Councillor Matthews
The Sheriff, Councillor Burke
Councillors Baillie, Ball, Barnes-Andrews, Mrs Blatchford, Bogle, Capozzoli, Cunio, Daunt, Fitzgerald, Fitzhenry, Fuller, Furnell, Hannides, B Harris, L Harris, Holmes, Jones, Kaur, Kolker, Letts, Mead, McEwing, Morrell, Moulton, Noon, Osmond, Dr Paffey, Parnell, Payne, Pope, Rayment, Smith, Stevens, Thomas, Thorpe, Turner, Vassiliou, Vinson, Walker, Wells, White, Willacy, P Williams and Dr R Williams

67. APOLOGIES

Apologies for absence were submitted on behalf of Councillor Drake.

68. ANNOUNCEMENTS FROM THE MAYOR AND LEADER

The Mayor informed Members that the Town Crier, John Melody, had pneumonia and was very ill. He had been receiving chemotherapy treatment which had been stopped for the present time, although the good news was that his tumour had shrunk. On behalf of the Council, Members joined the Mayor in wishing the Town Crier a good recovery and requested the Mayor write to him and his wife Pauline with their best wishes.

69. DEPUTATIONS, PETITIONS AND PUBLIC QUESTIONS

The Council received a deputation from Nick Chaffey, Andrew Howe and Gavin Marsh on behalf of the Southampton Trade Unionists and Socialist Coalition against Cuts.

70. COUNCIL TAX SETTING AND RELATED MATTERS

(A) GENERAL FUND CAPITAL PROGRAMME 2012/13 TO 2014/15

(B) GENERAL FUND REVENUE BUDGET 2012/13 TO 2014/15

The reports of the Cabinet Member for Resources, Leisure and Culture were submitted seeking approval to the updated Capital Programme for 2012/13 - 2014/15 together with the latest estimated overall financial position on the General Fund Revenue Budget for 2012/13 - 2014/15 and outlining the main issues that needed to be addressed in considering the Cabinet's budget proposals. The recommendations therein as amended by Executive Budget Resolution 2012/13 to comprise the Executive's budget proposals were moved by Councillor Hannides and seconded by Councillor Smith (copies of reports circulated with agenda and appended to signed minutes and a copy of the amended Executive Budget resolution as circulated at the meeting attached as appendix A to these minutes).

The Council agreed to suspend Council Procedure Rules 14.2, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9 and 16.2:-

- (i) to enable the above items to be considered together;
- (ii) to enable any amendments to be proposed, seconded and considered at the same time;
- (iii) to enable any amendment to be re-introduced later into the meeting; and
- (iv) to revise the time allowed for speakers as follows:-

Movers of motions - 20 minutes

Seconders - 10 minutes

Other Speakers - 4 minutes

An altered amendment setting out the Labour Group's budget proposals (Labour Budget Resolution 2012/13) was moved by Councillor Barnes-Andrews and seconded by Councillor Dr. R. Williams (copy attached as Appendix B to these minutes).

An altered amendment setting out the Liberal Democrat Group's budget proposals (Liberal Democrat Budget Resolution 2012/13) was moved by Councillor Vinson and seconded by Councillor Turner (copy attached as Appendix C to these minutes).

UPON BEING PUT TO THE VOTE THE LIBERAL DEMOCRAT GROUP'S PROPOSALS WERE DECLARED LOST.

UPON BEING PUT TO THE VOTE THE LABOUR GROUP'S PROPOSALS WERE DECLARED LOST.

UPON BEING PUT TO THE VOTE THE EXECUTIVE'S BUDGET PROPOSALS AS AMENDED WERE DECLARED CARRIED.

RESOLVED that the General Fund Capital Programme 2012/13 to 2014/15 and the General Fund Revenue Budget 2012/13 to 2014/15, as amended by Executive Budget Resolution 2012/13 (appendix A to these minutes) be adopted.

NOTE: Councillor Parnell declared a personal, but non-prejudicial interest in the above matter, in view of being a Trustee of School Pastors, and remained in the meeting during the consideration of the matter.

71. HOUSING REVENUE ACCOUNT BUDGET REPORT AND BUSINESS PLAN

The report of the Cabinet Member for Housing was submitted seeking approval to the Housing Revenue Account Business Plan for the period 2012/13 to 2041/42 and the Revenue Budgets for 2012/13 (copy of report circulated with agenda and appended to signed minutes).

Amendment moved by Councillor Turner and seconded by Councillor Vinson:

"Add (xvi) Approves the Housing Revenue Account Revenue Estimates as set out in Appendix 1 of the Housing Revenue Account Budget Report and Business Plan, with the amendment that the provision of £100,000 as set out in paragraph 32 which is to be utilised for other service developments such as tackling health inequalities in some of

our estates and enhancing skills opportunities for our tenants which includes working in partnership with local universities also includes working with local sixth forms and colleges,”

UPON BEING PUT TO THE VOTE THE AMENDMENT WAS DECLARED LOST.

RESOLVED:

- (i) that the Tenant Association Representatives be thanked for their input to the capital and revenue budget setting process and that their views as set out in the report be noted;
- (ii) that following the completion of the full financial assessment of the changes to target rents approved by Council on 16 November 2011 to:
 - Confirm that the target rent for houses will be increased by 5%,
 - Approve a further reduction in the target rent for flats of 0.06% (giving a total reduction of 2.96%) so that the overall average target rent for all dwellings remains unchanged,
 - Approve the indexing of the £2.00 factor in the individual property rent restructuring calculation by RPI plus 0.5% from 2001/02 and the phased implementation of the amended calculation in equal instalments between 2013/14 and 2015/16,
 - Confirm that from 2 April 2012, all new tenants will be charged the target rent for the property they move into,
 - Confirm that in all other respects, rents should be set using the Government's Rent Restructuring regime;
- (iii) that, with effect from the 2 April 2012, the current average weekly dwelling rent figure of £69.73 be increased by 7.54%, which equates to an average increase of £5.26 per week, and that the following be approved to calculate this increase:
 - That the percentage increase applied to all dwelling rents should be 6.1%, equivalent to an increase of £4.25 per week; and
 - That the rent restructuring component of the increase should follow the arrangements set out in resolution (ii) above, giving an increase in average rent levels of 1.44% (£1.01 per week) andto note that:
 - The total percentage increase in individual rents will vary according to the restructured rent of their property;
- (iv) that the following weekly service charges from 2 April 2012 based on the full cost recovery approach agreed by Council in November 2011 be approved:
 - Digital TV £0.42 (unchanged from 2011/12)
 - Concierge £1.20 (increased by £0.08 from 2011/12)
 - Tower Block Wardens £4.97 (reduced by £0.14 from 2011/12)
- (v) that it be noted that the service charges in supported accommodation will not change from 2 April 2012 but that these will be reviewed in the spring of 2012 in consultation with tenants, with any changes taking effect from October 2012;

- (vi) that subject to consultation with tenants, approval be given to the introduction of a new cleaning charge for walk up blocks of £0.91 per week, the start date for which will be agreed with tenants;
- (vii) that the charges for garages and parking spaces for 2012/13 be increased by 5.6% in line with the increase in RPI used in the calculation of the increase in average rents;
- (viii) that the increase in minimum HRA balances to £2M be approved;
- (ix) that the Housing Revenue Account Revenue Estimates as set out in Appendix 1 to the report be approved;
- (x) that the revised Housing Revenue Account Capital Programme set out in Appendix 2 to the report be approved;
- (xi) that the 30 year capital and revenue business plans set out in appendices 4 and 5 to the report be approved;
- (xii) that the principles underlying capital spending plans that have been included in the business plan as set out in appendix 6 to the report be approved;
- (xiii) that the HRA business planning assumptions as set out in Appendix 7 to the report be noted;
- (xiv) that it be noted that rental income and service charge payments will be paid by tenants over a 48 week period; and
- (xv) that the intention to develop a HRA efficiency programme during 2012/13 be noted.

72. TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL LIMITS 2012/13 TO 2014/15

The report of the Head of Finance was submitted regarding the Council's treasury management strategy for the coming year in relation to the Council's cash flow, investment and borrowing, and the management of the numerous risks related to this activity (copy of report circulated with agenda and appended to signed minutes).

RESOLVED:

- (i) that the Council's Treasury Management (TM) Strategy and Prudential Indicators for 2012/13, 2013/14 and 2014/15 be approved, as detailed within the report; and in particular the lowering of the minimum credit rating, as recommended by the Council's advisors, from A+ to A- as detailed in paragraph 32 of the report be approved;
- (ii) that the 2012 MRP Statement, as detailed in paragraph 47 of the report, be approved;
- (iii) that the Annual Investment Strategy, as detailed in paragraphs 26-45 of the report, be approved;
- (iv) that the adoption of the revised Treasury Management Code of Practice and Guidance notes and subsequent amendments, as detailed in paragraph 64 of the report, be approved;
- (v) that it be noted that should the recommendations in the Capital Programme Update report change as a result of the decisions of Council on the 15th February, the Prudential Indicators may have to be recalculated;

- (vi) that delegated authority continue to be granted to the Chief Financial Officer (CFO), following consultation with the Cabinet Member for Resources, Leisure and Culture, to approve any changes to the Prudential Indicators or borrowing limits that will aid good treasury management;
- (vii) that the continued use of the Interest Equalisation Reserve, the creation of which was approved to help to manage the impact on annual budget decisions of volatility and the ultimate increase in interest rates which will be felt when the Council locks back into long term fixed rates, be noted.

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Conservative 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, transfers an additional £250,000 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 and contributes an additional £751,000 to Capital DRF Funding which will eliminate the remaining deficit and balance the Capital Programme.
- 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 change in Section B 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) Agrees to accept the one off Council Tax freeze grant funding for 2012/13 of £2.1M
- xii) Approves the General Fund Revenue Budget as set out in Annex 3 to this Resolution which implements a council tax freeze.
- xiii) 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.
- xiv) 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.
- xv) 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.
- xvi) 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.
- xvii) Sets the Council Tax Requirement for 2012/13 at £83,205,500.
- xviii) 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.
- xix) Notes the Medium Term Forecast as set out in Annex 5 to this Resolution.
- xx) 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.
- xxi) Notes that the forecast deficit funding position for the General Fund Capital Programme has been eliminated since the publication of the General Fund Capital Programme 2011/12 to 2014/15 report on the Council agenda.
- 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):
- xxiii) Determines in accordance with section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2012/13 is not excessive in accordance with principals approved by the Secretary of State under 52ZC of the Act.

- | | | |
|----|--|-----------------|
| a) | Aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act. | £607,873,000.00 |
| b) | Aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. | £524,667,500.00 |
| 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

CONSERVATIVE 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		250.0
	Increased Contributions to Capital DRF Funding		751.0
	Increased Addition to Balances		299.0
		<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 a	SeaCity Tickets for Residents and Employees (One Off Expenditure)		130.0
NEW b	School Pastors (One Off Expenditure)		25.0
NEW c	Spring Clean Up (One Off Expenditure)		100.0
NEW d	Introduce "No Cold Calling" Zones (One Off Expenditure)		50.0
	<u>Withdrawn 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
	<u>Balances</u>		
	Increased Draw from Balances	(405.0)	
		<u>(405.0)</u>	<u>405.0</u>
	Net Gap / (Surplus)		<u><u>0.0</u></u>

- a) Aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act. £607,873,000.00
- b) Aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. £524,667,500.00
- 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	1,796	1,796 A
Contribution to Interest Equalisation Reserve	0	563	563 A
Contribution to Pay Reserve	0	250	250 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)	(17,660)	1,060 A
NET GF SPENDING	192,631	192,191	440 F
Draw from Balances:			
To fund the Capital Programme	(1,553)	(1,553)	0
Addition to Balances (General)	1,711	2,151	440 F
Draw from Strategic Reserve (OD Reserve))	(2,104)	(2,104)	0
	(1,946)	(1,506)	440 F
BUDGET REQUIREMENT	190,685	190,685	0 F

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

CONSERVATIVE GROUP BUDGET PROPOSALS
AMENDMENTS TO GENERAL FUND REVENUE BUDGET PAPERS

REF.		BETTER £000's	WORSE £000's
<u>SECTION A - New Revenue Bids</u>			
NEW a	SeaCity Tickets for Residents and Employees (One Off Expenditure)		130
NEW b	School Pastors (One Off Expenditure)		25
NEW c	Spring Clean Up (One Off Expenditure)		100
NEW d	Introduce "No Cold Calling" Zones (One Off Expenditure)		50
<u>Section B - Withdrawn 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
<u>Section C - Balances</u>			
	Increased Draw from Balances	(405)	
		<u>(405)</u>	<u>405</u>
	Net Gap / (Surplus)		<u><u>0</u></u>

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	(3,150.0)	70,288.2
Childrens Services & Learning	63,552.0	25.0	0.0	(3,315.0)	60,262.0
Environment & Transport	34,581.9	30.0	0.0	(1,884.0)	32,727.9
Housing	10,029.5	150.0	0.0	(990.0)	9,189.5
Leader's Portfolio	8,969.9	0.0	0.0	(1,162.0)	7,807.9
Leisure & Culture	14,146.0	130.0	0.0	(486.0)	13,790.0
Resources	17,958.2	0.0	0.0	(1,555.0)	16,403.2
Sub-total for Portfolios	222,675.7	335.0	0.0	(12,542.0)	210,468.7
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
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	(200.0)	(115,578.6)
NET GF SPENDING	96,645.5	335.0	0.0	(12,742.0)	84,238.5
Draw from Balances:					
Addition to / (Draw From) Balances	864.0			(1,405.0)	(541.0)
To Fund the Capital Programme	(492.0)				(492.0)
	372.0	0.0	0.0	(1,405.0)	(1,033.0)
Net Gap in Budget	13,812.0	335.0	0.0	(14,147.0)	(0.0)
COUNCIL TAX REQUIREMENT	83,205.5	0.0	0.0	0.0	83,205.5

(* 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	183,061.893	(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	70,288.2		70,288.2		70,288.2
Childrens Services & Learning	60,262.0		60,262.0		60,262.0
Environment & Transport	32,727.9		32,727.9		32,727.9
Housing	9,189.5		9,189.5		9,189.5
Leader's Portfolio	7,807.9		7,807.9		7,807.9
Leisure & Culture	13,790.0		13,790.0		13,790.0
Resources	16,403.2		16,403.2		16,403.2
Base Changes & Inflation		10,707.8	10,707.8	8,100.0	18,807.8
Sub-total for Portfolios	210,468.7	10,707.8	221,176.5	8,100.0	229,276.5
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
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
	(115,578.6)	14,693.2	(100,885.4)	7,494.3	(93,391.1)
NET GF SPENDING	84,238.5	26,601.0	110,839.5	16,294.3	127,133.8
Draw from Balances:					
Addition to / (Draw From) Balances	(541.0)	4,541.0	4,000.0		4,000.0
To fund the Capital Programme	(492.0)	242.0	(250.0)	250.0	0.0
	(1,033.0)	4,783.0	3,750.0	250.0	4,000.0
Council Tax Requirement	83,205.5	31,384.0	114,589.5	16,544.3	131,133.8
Council Tax	83,205.5	2,078.5	85,284.0	2,133.6	87,417.6
Roll Forward Gap	0.0	29,305.5	29,305.5	14,410.7	43,716.2
Add Pressures - Future Years (Unknown)		1,000.0	1,000.0	1,000.0	2,000.0
Less Savings - Future Years (Known)		(2,413.0)	(2,413.0)	(260.0)	(2,673.0)
Less Savings - Future Years (Work In Progress)		(8,073.0)	(8,073.0)	(3,712.0)	(11,785.0)
Revised Gap	0.0	19,819.5	19,819.5	11,438.7	31,258.2

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>

Liberal Democrat 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 £1.0M 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) Agrees to accept the one off Council Tax freeze grant funding for 2012/13 of £2.1M.

- xii) Approves the General Fund Revenue Budget as set out in Annex 3 to this Resolution which implements a council tax freeze.
- xiii) 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.
- xiv) 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.
- xv) 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.
- xvi) 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.
- xvii) Sets the Council Tax Requirement for 2012/13 at £83,205,500.
- xviii) 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.
- xix) Notes the Medium Term Forecast as set out in Annex 5 to this Resolution.
- xx) 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.
- xxi) Instructs the Chief Executive and Chief Officers to pursue the development of options for savings from the Capita contract with the aim of achieving a further minimum saving of £500,000 per annum by 1 September 2012. These options are to include a review of HR and services to schools.
- xxii) Instructs the Chief Executive and Chief Officers to review the council tax discounts which are applicable to second homes and empty properties within the legislative framework, and in response to any future changes.
- xxiii) Approves the further additions to the Capital Programme as set out in Annex 6 to this Resolution.
- xxiv) 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. | £611,283,000.00 |
| b) Aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. | £528,077,500.00 |
| 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	1,000	1,000 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)	(17,661)	1,059 A
NET GF SPENDING	192,631	192,190	441 F
Draw from Balances:			
To fund the Capital Programme	(1,553)	(1,553)	0
Addition to Balances (General)	1,711	2,152	441 F
Draw from Strategic Reserve (OD Reserve))	(2,104)	(2,104)	0
	(1,946)	(1,505)	441 F
BUDGET REQUIREMENT	190,685	190,685	0 F

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

LIBERAL DEMOCRAT 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	ASCH Re-Investment of ASCH 15 saving reducing at risk by 4.5 FTE (to include provision for investment in LATCO or alternative provision)		800.0
NEW b	Highways additional funding		800.0
NEW c	Investment in the Night Time Economy		35.0
NEW d	Localities Initiatives (5 Posts)		250.0
NEW e	Public Transport		100.0
NEW f	Carers Initiatives (To include young carers)		200.0
NEW g	Junior Wardens		20.0
NEW h	Affordable Housing Initiatives (in lieu of New Homes Bonus; to include maintenance of service levels under HOU 15). One Year Initiative		650.0
NEW i	NEETS Initiatives (To include promotion of Apprenticeships)		150.0
NEW j	Grants for Voluntary Sector Innovations		200.0
NEW k	To be utilised in parallel with the funding within the HRA as set out in recommendation xvi) of the Liberal Democrat HRA Revenue Budget Amendment. Funding for tackling health inequalities and enhancing skills opportunities for our citizens which includes working in partnership local sixth forms, colleges and universities.		150.0
<u>Section B - Additional Savings</u>			
NEW a	Reduce Council Tax Discount by 50% per annum	(500.0)	
NEW b	Release of DRF from Balances for Civic Centre refurbishment replaced by Asset Sales or borrowing as necessary	(2,749.5)	
NEW c	Remove Eastpoint demolition DRF funding	(350.0)	
NEW d	Communications Savings - Cease City View	(39.2)	
NEW e	Corporate Saving - Cut Design & Print	(60.8)	
NEW f	RES 9 & RES 10 - Increase saving to be delivered from property related budgets	(100.0)	
NEW g	Corporate Savings - Cut Supplies & Services budgets	(200.0)	
NEW h	Reduced Provision for Redundancy Reflecting 9.50 FTE (13 Employees) Net Reduction in Posts Deleted	(360.3)	
<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 16	Commissioning - Reduction in contracted advice and advocacy.		120.0

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

REF.		BETTER £000's	WORSE £000's
CSL 9	Prevention & Inclusion Service - Specifically (a) championing children at risk of falling out of mainstream education (£50k); (b) education welfare services (£50k); (c) alternative learning provision for difficult pupils in years 10 & 11 (£60k).		160.0
CSL 13	Play and Youth Provision. Specifically commissioning community providers of play and youth services		100.0
HOU 3	Natural Environment - Hawthorns Wildlife Centre to operate at no cost to the council by 2013/14		73.0
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
HOU 13	Parks & Street Cleansing - Remove 'find and fix' budget for green spaces		160.0
LEAD 8	Community Safety and Emergency Planning - Increase income generation through efficiency of Emergency Planning, ICE bus and night time economy initiatives		25.0
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
LEAD 13	Economic Development Regeneration & Renewal - Removal of development budget		100.0
LEAD 14	Regeneration & Renewal - Reductions in running costs within regeneration service		12.0
LEAD 15	Legal Services - Part abatement of saving by 1 post to maintain legal support for planning, development control and enforcement		32.0
LC 9	Remove one Leisure Marketing Officer		26.0
<u>Section D - Balances</u>			
	Increased Draw From Balances	(380.2)	
		<u>(4,740.0)</u>	<u>4,740.0</u>
	Net Gap / (Surplus)		<u><u>0.0</u></u>

(Future target for savings to be achieved from the Capita contract by 01/09/2012 of at least £500,000 per annum. To include a review of HR and services to schools)

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	1,000.0	0.0	(3,030.0)	71,408.2
Childrens Services & Learning	63,552.0	300.0	0.0	(3,055.0)	60,797.0
Environment & Transport	34,581.9	930.0	0.0	(1,884.0)	33,627.9
Housing	10,029.5	1,120.0	0.0	(370.0)	10,779.5
Leader's Portfolio	8,969.9	35.0	0.0	(903.0)	8,101.9
Leisure & Culture	14,146.0	0.0	0.0	(499.2)	13,646.8
Resources	17,958.2	0.0	0.0	(1,655.0)	16,303.2
Sub-total for Portfolios	222,675.7	3,385.0	0.0	(11,396.2)	214,664.5
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			305.5	14,570.0
Capital Asset Management Account	(25,565.1)				(25,565.1)
	(11,300.6)	0.0	0.0	305.5	(10,995.1)
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
Terms & Conditions	600.0				600.0
Removal of Council Tax Discount	0.0			(500.0)	(500.0)
Corporate Savings	0.0			(260.8)	(260.8)
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	(960.8)	(116,339.4)
NET GF SPENDING	96,645.5	3,385.0	0.0	(12,051.5)	87,979.0
Draw from Balances:					
Addition to / (Draw From) Balances	864.0			(5,145.5)	(4,281.5)
To Fund the Capital Programme	(492.0)				(492.0)
	372.0	0.0	0.0	(5,145.5)	(4,773.5)
Net Gap in Budget	13,812.0	3,385.0	0.0	(17,197.0)	(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	71,408.2		71,408.2		71,408.2
Childrens Services & Learning	60,797.0		60,797.0		60,797.0
Environment & Transport	33,627.9		33,627.9		33,627.9
Housing	10,779.5		10,779.5		10,779.5
Leader's Portfolio	8,101.9		8,101.9		8,101.9
Leisure & Culture	13,646.8		13,646.8		13,646.8
Resources	16,303.2		16,303.2		16,303.2
Base Changes & Inflation		10,289.8	10,289.8	8,100.0	18,389.8
Sub-total for Portfolios	214,664.5	10,289.8	224,954.3	8,100.0	233,054.3
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	14,570.0	1,200.0	15,770.0	700.0	16,470.0
Capital Asset Management Account	(25,565.1)		(25,565.1)		(25,565.1)
	(10,995.1)	1,200.0	(9,795.1)	700.0	(9,095.1)
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
Terms & Conditions	600.0		600.0		600.0
Removal of Council Tax Discount	(500.0)	(500.0)	(1,000.0)		(1,000.0)
Corporate Savings	(260.8)		(260.8)		(260.8)
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
	(116,339.4)	14,193.2	(102,146.2)	7,494.3	(94,651.9)
NET GF SPENDING	87,979.0	25,683.0	113,662.0	16,294.3	129,956.3
Draw from Balances:					
Addition to / (Draw From) Balances	(4,281.5)	8,281.5	4,000.0		4,000.0
To fund the Capital Programme	(492.0)	242.0	(250.0)	250.0	0.0
	(4,773.5)	8,523.5	3,750.0	250.0	4,000.0
Council Tax Requirement	83,205.5	34,206.5	117,412.0	16,544.3	133,956.3
Council Tax	83,205.5	2,078.5	85,284.0	2,133.6	87,417.6
Roll Forward Gap	(0.0)	32,128.0	32,128.0	14,410.7	46,538.7
Add Pressures - Future Years (Unknown)		1,000.0	1,000.0	1,000.0	2,000.0
Less Savings - Future Years (Known)		(2,357.0)	(2,357.0)	(260.0)	(2,617.0)
Less Savings - Future Years (Work in Progress)		(8,073.0)	(8,073.0)	(3,712.0)	(11,785.0)
Revised Gap	(0.0)	22,698.0	22,698.0	11,438.7	34,136.7

ADDITIONS TO THE CAPITAL PROGRAMME

	2012/13 £'000
<u>Environment & Transport</u>	
Cycleways	160
	<hr/> 160 <hr/>
<u>Funding</u>	
Contributions (CIL Income)	(160)
	<hr/> (160) <hr/>

LIBERAL DEMOCRAT GROUP BUDGET PROPOSALS
DIFFERENCE FROM THE PREVIOUSLY PUBLISHED BUDGET AMENDMENT

REF.	BETTER £000's	WORSE £000's
<u>2011/12 Revised Budget</u>		
	(1,300.0)	
		1,000.0
		300.0
	<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 h		150.0
NEW k		150.0
<u>Balances</u>		
	(300.0)	
	<u>(300.0)</u>	<u>300.0</u>
Net Gap / (Surplus)		<u><u>0.0</u></u>

