

CITY OF PLYMOUTH

Subject: 2010/11 Budget

Committee: Council

Date: 1 March 2010

Cabinet Member: The Leader and Councillor Bowyer

CMT Member: Director for Corporate Support

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Part: I

Executive Summary:

At the Cabinet meeting held on 9 February 2010, in considering the report '2010/11 Budget (Revenue and Capital)', as amended by the "2010/11 budget update report', it was resolved that:

- The impact on the revenue budget on 2010/11 is noted and officers are requested to report to the City Council on 1 March 2010 on options to reduce the revenue budget spending plans to match anticipated resources;
- The proposed target budget requirement for 2010/11 is Recommended to the City Council, subject to the consultation and scrutiny process.

Consultation on the budget proposals has been undertaken over the last few weeks and the budget was subject to scrutiny by the Overview and Scrutiny Management Board meetings which were held on 15 and 17 February. Recommendations arising from this process will be included in a separate report to Council.

The updated spending plans presented on 9 February gave a net budget requirement of £202.626m against a target budget requirement of £201.825m.

Officers have continued to seek further savings to arrive at the target budget

requirement and are recommending an amendment to the capital financing budget. Additional funding was allocated to this budget for 2010/11 reflecting the reduced ability to generate income through favourable investment returns. However, the delivery plan outlined that:

“During the year we will strive to ensure we achieve the maximum return from our Treasury Management activities. Actions we will take in particular are:

- Seek to buy out of Devon Debt to enable more control over the management of the debt in line with our strategy.
- Investment Strategy - seek options to increase returns
- Minimising borrowing costs by use of internal balances and cash flow surpluses”

The delivery plan did not quantify these actions, but it is considered that we could achieve a reduction in our net capital financing cost of £0.410m at this stage by a combination of the above. This would reduce the spending plan total to £202.216m.

Over the last few weeks, Officers have also sought to continue to realign detailed budgets across services, including finalising the stock transfer impact for services. In addition Officers have been developing further the delivery plans and finalising ‘to be confirmed’ figures in the budget papers. This has resulted in a number of changes to the figures shown in the departmental spending plans but has not altered the ‘bottom line’ for each department. The revised spending plans, taking into account these amendments is attached at Appendix A.

Officers will continue to seek options to further reduce spending plans to achieve the target budget of £201.825m.

Tax Level

A budget requirement of £202.216m will require a Council Tax increase of around 3%. Officers and Members will be working on further options on the budget and therefore the Council Tax level, up to the time of the meeting on 1 March.

Clearly, as part of the management process, virements will be actioned as appropriate, whilst remaining within the agreed budget for the year.

Appendix B contains detailed Council Tax resolutions that need to be completed in accordance with statutory provisions. The final version of Appendix B will be tabled at Council.

The budget has been produced on the basis that the Council's key priorities for 2010- 2013 will be addressed.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

Once approved, 2010/11 will become the base year for the Medium Term Financial Plan and will then impact on the projections for 2011/12 – 2012/13.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

The proposed Revenue Budget seeks to tackle a number of the Council's statutory responsibilities (Health & Safety and the Disability Discrimination Act) and is similarly informed and developed by the Council's Risk Management Processes.

Recommendations & Reasons for recommended action:

Council is requested to determine the levels of Council Tax required to set the budget requirement, that will enable the detailed Council Tax resolutions to be formulated in line with appropriate statutory provisions.

Alternative options considered and reasons for recommended action:

N/A

Background papers:

Budget papers to Cabinet 9 February 2010.

Sign off:

Fin	AB1902 1033	Leg	TH0001	HR	n/a	AM	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member Malcolm Coe											

SPENDING PLANS 2009/10 AND 2010/11

2009/10	Service Description	Gross Expenditure	Gross Income	2010/11 Spending plans
£		£	£	£
	<u>Children and Young People</u>			
0	Schools	154,902,213	(154,902,213)	0
893,676	Funded Programmes	18,509,420	(17,757,467)	751,953
3,498,224	Performance and Policy	4,090,496	(770,406)	3,320,090
9,351,561	Learner and Family Support	31,667,265	(22,345,416)	9,321,849
11,557,775	Lifelong Learning	33,013,154	(21,691,349)	11,321,805
25,647,565	Social Care	30,267,470	(2,522,342)	27,745,128
100,000	Building Schools for the future	300,000	0	300,000
51,048,801	Total Children and Young People	272,750,018	(219,989,193)	52,760,825
	<u>Corporate Items</u>			
(27,306,494)	Other Corporate Items	1,562,166	(29,180,989)	(27,618,823)
1,600,000	Corporate Items - major projects	3,002,000	0	3,002,000
10,791,955	Capital Financing	16,107,679	(5,300,194)	10,807,485
(14,914,539)	Total Corporate Items	20,671,845	(34,481,183)	(13,809,338)
	<u>Community Services</u>			
70,949,124	Adult Health and Social Care	91,507,598	(18,791,275)	72,716,323
1,840,935	Public Protection services	4,232,826	(2,261,491)	1,971,335
9,800,594	Culture Sport and Leisure	14,989,590	(4,432,408)	10,557,182
22,809,456	Street services	38,683,267	(15,105,892)	23,577,375
1,556,104	Safer Communities	2,281,706	(733,000)	1,548,706
2,932,457	Service, Strategy and Regulati	2,529,423	(44,129)	2,485,294
109,888,670	Total Community Services	154,224,410	(41,368,195)	112,856,215
	<u>Corporate Support</u>			
179,763	Departmental Management	180,005	0	180,005
15,418,293	Finance, Assets & Efficiencies	108,782,454	(93,576,831)	15,205,623
3,126,635	HR Organisational Development	4,032,290	(1,077,955)	2,954,335
6,403,457	ICT information systems	7,196,324	(1,164,963)	6,031,361
2,119,114	Customer Services	2,130,654	(5,125)	2,125,529
5,797,185	Democracy and Governance	6,933,399	(1,070,927)	5,862,472
33,044,447	Total Corporate Support	129,255,126	(96,895,801)	32,359,325
	<u>Development and Regeneration</u>			
1,444,437	Planning Services	3,179,788	(2,030,359)	1,149,429
3,265,818	Strategic Housing	4,571,166	(1,455,060)	3,116,106
597,431	Business Support	39,901	0	39,901
11,903,152	Transport	19,987,870	(7,349,646)	12,638,224
315,265	Waste Management Project Team	1,090,202	(569,160)	521,042
(2,114,660)	Property & Economic Developmen	4,602,223	(5,898,236)	(1,296,013)
15,411,443	Total Development & Regeneration	33,471,150	(17,302,461)	16,168,689
	<u>Chief Executive</u>			
1,480,803	Policy Performance and Partner	1,751,169	(446,872)	1,304,297
565,463	Corporate Communications	667,282	(91,700)	575,582
2,046,266	Total Chief Executive	2,418,451	(538,572)	1,879,879
196,525,088	Total Council Revenue Budget	612,791,000	(410,575,405)	202,215,595

RECOMMENDATIONS TO THE CITY COUNCIL

Monday 1 March 2010

- (1) with a net budget of £ m the Band D Council Tax for Plymouth City Council purposes will be £ .The total Band D Council Tax after taking account of the precept from the Devon and Cornwall Police Authority of £156.60 and of the precept from the Devon and Somerset Fire and Rescue Authority of £ will be £ for the year 2010/11
- (2) it be noted that at its meeting on 1 February 2010, the Council calculated the amount of 76,899 as its Council Tax Base for the year 2010/11 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, made under Section 33 (5) of the Local Government Finance Act 1992, as amended by the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 and the Council Tax (Prescribed Classes of Dwellings)(England) Regulations 2003, made under Section 11A of the Local Government Finance Act, 1992, as inserted by Section 75 of the Local Government Act 2003, and the Local Authorities (Calculation of Council Tax Base) (Amendment) (England)(No.2) Regulations 2003;
- (3) the following amounts be now calculated by the Council for the year 2010/11 in accordance with Sections 32 to 36 of the Local Government Finance Act, 1992 (referred to hereafter as 'the Act') -
- (a) £x Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act;
- (b) £x Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act;
- (c) £x Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year;
- (d) £x Being the 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 and revenue support grant, increased by the amount of the sums which the Council estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with Section 97(3) of the Local Government Finance Act, 1988, and increased by the amount of the sums calculated in accordance with the Local Government Changes for England (Collection Fund Surpluses & Deficits) Regulations, 1995;

(e) £x Being the amount at 3(c) above less the amount at 3(d) above, all divided by the amount at 2 above, calculated by the Council in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year;

(f)	<u>Valuation</u> <u>Bands</u>	£
	A	
	B	
	C	
	D	
	E	
	F	
	G	
	H	

Being the amounts given by multiplying the amount at 3 (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 amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

(4) it be noted that for the year 2010/11 the Devon and Cornwall Police Authority have stated the

following amounts in precept issued to the Council, in accordance with section 40 of the Act, for each of the categories of dwellings shown below -

<u>Valuation Bands</u>	<u>Police Authority</u> £
A	104.40
B	121.80
C	139.20
D	156.60
E	191.40
F	226.20
G	261.00
H	313.20

- (5) it be noted that for the year 2010/11 the Devon and Somerset Fire and Rescue Authority have stated the following amounts in precept issued to the Council, in accordance with section 40 of the Act for each of the categories of dwellings shown below -

<u>Valuation Bands</u>	<u>Fire Authority</u> £
A	
B	
C	
D	
E	
F	
G	
H	

- (6) having calculated the aggregate in each case of the amounts at 3(f), (4) and (5) above, the Council, in accordance with Section 30(2) of the Act, sets out the following amounts of Council Tax for the year 2010/11 for each of the categories shown below –

<u>Valuation Bands</u>	£
A	
B	
C	
D	
E	
F	
G	
H	