

**£8.9M PRESSURES INCORPORATED IN 2013/14 REVENUE BUDGET**

	<b>Item</b>	<b>£m</b>	<b>Rationale / explanation</b>
1	Reduction in Council Tax collection rates	1.0	Welfare reform changes, alongside current economic factors, are going to put extra strain on people's ability to pay their Council Tax. We are allocating this sum into contingency to cover the risk of reducing Council Tax collection rates (circa 1%).
2	Reduce income streams across the Council	0.3	Reflects falling income due to economic circumstances for council car parks and commercial rents. Requires further analysis to understand future trends.
3	Reduced funding from Schools due to new legislation.	0.2	New legislation restricts flexibility re corporate commitments against the Dedicated Schools Grant. Also, increase in Schools converting to Academies has a knock on impact on general fund income.
4	Waste disposal costs	1.0	Extra funding needed to cover the escalating costs of waste collection and landfill tax in the short term. It is estimated that an additional £1.8m is required in 2013/14 to include a draw-down of £800k from the Waste Reserve.
5	Adult Social Care demographics / contracts	1.5	Over the next decade to 2021 the 65+ population in Plymouth is due to grow by 14%, (ONS stats). Assuming that this is a flat line growth of 1.4% per annum and that the proportion of elderly people requiring support is consistent with current profiles, the year on year additional revenue pressure on the adult social care net budget, (circa £67m), is £938k. Additional allocation made in 2013/14 to help the transitional implementation re: high volume of significant budget delivery plans
6	Unsupported borrowing costs to fund transformational programme	0.6	Investment in ICT platforms and systems as approved within the capital programme. For example, AX payroll, CRM etc. This pressure reflects the revenue costs of borrowing the funding.
7	Children in Care – increased number of children looked after	0.7	To be kept under regular review. Indications are that current numbers are 'flat-lining'. However, actual referrals continue to increase and there are significant pressure points in areas such as independent sector placements and complex adoption and fostering cases.

8	Contingency Items	0.7	Increase from the previous revenue contingency of £0.5m. To be incorporated with other corporate pressure estimates to form a more holistic contingency reserve that will be drawn upon based on actual, (and proven), demand.
9	Utilities including street lighting energy costs	0.5	Costs for gas and electricity continue to escalate at a rate significantly above inflation. This allocation reflects a 12% uplift on the council's total spend of £4.2m per annum (of which £1.5m relates to street lighting). Invest to save initiatives to reduce energy spend will be costed as separate budget delivery plans.
10	Adult Social Care placements 2% inflation	1.4	External provider contracts have been frozen for the last two financial years.  The MTFF allocation for 2013/14 reflects a 2% increase on existing contract commitments for both Adults and Children's care services.
11	Children's Services placements 2% inflation	0.2	
12	Staff salaries 1.5% inflation (in addition to existing provision)	0.8	2012/13 is year three of a pay freeze across all levels of the council. We are budgeting for a 1.5% increase for 2013/14 in line with many other councils. This allocation tops up the amount that we have already put aside within the 2012/13 budget to facilitate a 1.5% increase.
<b>TOTAL:</b>		<b>8.9</b>	