

Town Hall
Lord Street
Southport
PR8 1DA

To: Members of the Cabinet

Date: 4 February 2010

Our Ref:

Your Ref:

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Dear Councillor

CABINET - THURSDAY 4TH FEBRUARY, 2010

I refer to the agenda for the above meeting and now enclose the following report(s) which were unavailable when the agenda was printed.

Agenda No.	Item
4.	Revenue Budget and Medium Term Financial Plan 2010/11 to 2012/13 Supplementary report of the Chief Executive

Yours sincerely,

C J Elwood

Legal and Democratic Services Director

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Item 4 – Revenue Budget and Medium Term Financial Plan 2010/11 to 2012/13 Cabinet resolution –

Following consideration of the report the Cabinet:

1. Notes the latest position for the 2010/11 – 2012/13 Medium Term Financial Plan following Council on 14 January 2010;
2. Notes the final Revenue Settlement position;
3. Confirms the application of £2.3m of Area Based Grant to the 2010/11 budget;
4. Recommends to Council the total savings of £400k from the Technical Service Environment & Routine Maintenance budgets and the removal of the inflation provision for Private and Voluntary Sector Community Care Providers attached at **Annex 1**;
5. Recommends the attached budget scenario **Annex 2**, to Overview and Scrutiny Committee (Performance and Corporate Services) for their considerations and comments, noting that the illustrative Council Tax increases under this scenario would be

Sefton Council Services	2.5%
Levies	0.4%
Fire and Police	0.3%
Total	3.2%
6. Requests officers to continue to review all savings options and assumptions in order to achieve a total Council Tax increase of less than 3% inclusive of levies and precepts.
7. Notes the latest schedule of Levies and Parish precepts as attached at **Annex 3**;
8. Requests officers to consider the implications of making a substantial allocation of one-off resources to invest in highways maintenance following the recent bad weather and to report back to the next Cabinet meeting;
9. Notes that the Chief Executive will report on the robustness of estimates and the adequacy of financial reserves to Overview and Scrutiny Committee and full Council;
10. Defers consideration of the SBR options detailed in Annex B Table 1 until the next Cabinet meeting;
11. Approves the Action Points identified for each SBR option in Annex B Table 2 and recommend their acceptance to Council;
12. Welcomes the progress being made in Terms & Conditions negotiations with the Trade Unions and agrees to conclude consideration of the remaining “Amber/Red” SBR options, detailed in Annex B Tables 3 & 4, at the 4 March Cabinet meeting;
13. Notes that the comments of Overview and Scrutiny Committee on the budget proposal will be referred back to the next Cabinet meeting for consideration;

(TS1)	Tech Services Environmental	Reduce Budget	Budget £819,500 Saving £100,000 £50,000 saving suggested by Leaders 29/1/10	Grounds maintenance, arboricultural works, weed control. There are current contracts for the provision of these services and budget reductions may involve renegotiation with the contractors. This is not a statutory function except for safety/visibility issues at junctions. Significant reaction from public and Councillors as standards may deteriorate. Potential impact on economy, economic development etc.
Page 248	(TS2) Tech Services Routine Maintenance	Reduce Budget	Budget £2,069,000 Saving £200,000 £50,000 saving suggested by Leaders 29/1/10	Part of the core fee paid to Capita. Note – it needs to be remembered that there is currently a £580k deficit on the Highways budget, which needs to be resolved first. Highway condition reported as NI 168 and 169, which will both, be adversely affected by budget cuts. Maintenance of the Highway is a statutory function of the Council and if not done to an appropriate standard will result in the Council being liable to prosecution and 3 rd party claims. Reduction in routine maintenance will increase 3 rd party claims and result in increasing insurance costs (by way of example the current regime enabled the insurance fund to be reduced by £1.2m in the current year and £1m the previous year).
	(HS1)	Health & Social Care Community Care	Private and Voluntary Sector Providers – no inflation provision	Budget £700,000 Saving £300,000

Cabinet 4 February 2010

Revenue Budget 2010/11 – Further Information

1. All Parish / Town Councils have now set their precepts for 2010/11; an analysis of the final demands is noted below: -

Parish	2009/10		2010/11		
	Precept £	Addition to Council Tax (Band D) £ p	Precept £	Addition to Council Tax (Band D) £ p	Change in Band D %
Aintree	125,000	54.67	125,000	54.90	0.41
Formby	35,000	3.69	40,000	4.20	13.67
Hightown	3,750	4.19	3,750	4.20	0.26
Ince Blundell	1,450	7.59	1,500	7.84	3.35
Little Altcar	2,500	8.70	2,500	8.73	0.35
Lydiate	149,862	66.64	149,862	66.63	-0.01
Maghull	636,678	88.84	634,279	88.85	0.01
Melling	18,000	16.50	18,000	16.46	-0.23
Sefton	3,500	14.95	3,500	15.04	0.55
Thornton	4,500	5.52	4,500	5.50	-0.30
	980,240		982,891		

2. Only four Levying authorities have so far set their figures for 2010/11, these are noted below: -

	2009/10	2010/11	Percentage Increase £
Environment Agency	145,827	148,744	+2.00
Merseyside Integrated Transport Authority	23,422,000	24,304,700	+3.77
Port Health	99,500	99,500	0.00
Sea Fisheries	44,802	44,802	0.00

The Merseyside Waste Disposal Authority is set to meet on 5 February 2010. The estimated overall increase in Council Tax as a result of the Levying bodies is still expected to remain within the 0.44% figure previously reported.

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	2010/2011	2011/2012	2012/2013	Total
	£m	£m	£m	£m
		(Additional to 2010/2011)	(Additional to 2010/2011)	
A Gap at 3% C. Tax Increase (Sefton only) (£m) - December 2009 MTFP (17/12/09 Cabinet)	8.709	7.25	4.225	20.184
Council Tax Base Amendment	-0.131	-0.004	-0.004	-0.139
B Remaining Gap at 3% C. Tax Increase (Sefton only) (£m) - January 2010 MTFP	8.578	7.246	4.221	20.045
1 Area Based Grant - continue with 2009/2010 allocation	-2.360	0.000	0.000	-2.360
2 VER / VR Savings:				
Phase 1:				
Against Strategic Budget Review savings	-0.905			
General	-0.412			
Transformation Programme	-0.250			
Senior Management Structure	-0.200			
Phase 2:				
3 Transformation Programme		-1.000		
Senior Management Structure	-0.200			
Changes to Terms and Conditions (assumed one-off in 2010/2011 only)	-1.100	1.100	0.000	0.000
C Remaining Gap to 3% Council Tax Increase (Sefton only)(£m)	3.151	7.346	4.221	14.918
Use of One-Off Resources to fund Pay Protection Costs on Pay and Grading	-0.630	-0.630	0.000	-1.260
4 a. Use of One-Off Resources to fund Shortfall on Part Year Effect of Agreed Savings Additional Use of One-Off Funding	-1.000	0.000	0.000	-1.000
5 Insurance Fund (Phased over three years)	-0.250	0.250	0.000	0.000
	-1.500	0.000	0.000	-1.500
D Remaining Gap to 3% (Sefton only) Council Tax Increase (£m) - Possible Scenario	-0.229	6.966	4.221	11.158
of levies increase 0.44%	0.503			0.503
of Precepts Increases (Police 5%, Fire & Civil Defence 3.9%)	0.356			0.356
of reducing SMBC by 0.2% (from 3% to 2.8%)	0.230			0.230
E Remaining Gap to 2.8% Council Tax Increase (Including levies and precepts) (£m) - Possible Scenario	0.860	6.966	4.221	12.247
Other Potential Savings				
6 Reduced Inflation Provision for Adult Health & Social Care	-0.300			-0.300
Tech Services Environmental	-0.050			-0.050
Tech Services Routine Maintenance	-0.050			-0.050
F Gap to 2.8% Council Tax Increase (Including levies and precepts)(£m) - Possible Scenario	0.460	6.966	4.221	11.847
7 Increase Council Tax assumption by 0.40% (3.20%)	-0.460			-0.460
G Balanced Budget at 3.2% Council Tax Increase (Including levies and precepts) - Possible Scenario	0.000	6.966	4.221	11.747

Notes

- 1 Assumed to continue into 2011/12. This is subject to the overall review of ABC.
 - 2 These savings have been achieved through the "Expression of Interest" exercise.
 - 3 A detailed programme will be prepared. This includes potential procurement savings.
 - 4 This is made up of £200k of savings already agreed that will be delivered in 2010/11 and £800k of savings agreed to take effect from 2011/12.
 - 5 The surplus is used to make a three year reduction in the gap and will allow for a fundamental review of premiums.
 - 6 This reduces the provision to 0% inflation.
 - 7 Increase required to cancel remaining budget gap.
- The transformation programme will be the primary source for funding the remaining gap in 2011/12 and 2012/13. This will include the integration of support services, procurement improvements, customer services review and shared services/integration with Health

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