



# **Council Meeting**

**23 February 2012**

**Agenda Item 5**

**Budget Papers 2012/13**



## **Council Meeting 23 February 2012**

### **5 TO CONSIDER BUDGET RECOMMENDATIONS OF THE EXECUTIVE FOR ADOPTION:**

**Draft Revenue and Capital budgets 2011/12 (Revised), 2012/13 (Budget) and 2013/14 (Forecast):**

- a) Executive Amendment (*to follow*)
- b) Executive Recommendations
- c) Labour Group amendment

**Refers to Budget-Setting Report (Version 4 – Council) which can be found via the Council agenda page:**

<http://www.cambridge.gov.uk/democracy/ieListDocuments.aspx?CId=116&MId=533&Ver=4>

**The rules of debate contained in the Council Procedure Rules shall be modified in respect of the Budget Council Meeting as follows:**

1) The Executive shall present its budget recommendations. A period of 45 minutes is allowed for this, extendable at the discretion of the Mayor. The format and mode of the presentation is for the Executive to decide.

2) The Labour Group may then present its alternative budget. A period of 45 minutes is allowed, extendable at the discretion of the Mayor. The format and mode of the presentation is for the Labour Group to decide.

3) In a departure from the Rules, the Mayor will then afford Councillors Pogonowski and Hipkin, up to 5 minutes each to make a budget statement.

4) The Labour Group's alternative budget will then be moved as an amendment to replace the Executive recommendation. It will be debated in the usual way, and will be deemed to have been moved and seconded.

5) At the conclusion of the debate, a vote will be taken for and against the alternative budget.

6) If the Labour Group's alternative budget is voted down, the Labour Group Leader may ask for separate votes to be taken on individual proposals within the alternative budget, but there shall be no further debate.

7) Where individual amendments have been submitted by councillors, these will then be debated in the usual way. However, where they are to the same effect as something in the alternative budget, they shall be considered at the same time as the alternative budget, with the proposer being able to ask for a separate vote in accordance with paragraph 6.

8) After consideration of amendments the Executive's budget proposals will be debated in the usual way but, subject to paragraph 9) below, no amendments may be moved.

9) If the Executive's budget is rejected, amendments and alternative proposals may be made as under the present rules, subject to the dispute resolution provisions set out in the Budget and Policy Framework Procedure Rules contained in Part 4C of the Constitution.



# **Council Meeting**

**23 February 2012**

**Agenda Item 5 (b)**

**Budget Papers 2012/13**

**The Executive**

<b>RECOMMENDATION TO COUNCIL (The Executive)</b>
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**Draft Revenue and Capital Budgets – 2011/12 (Revised), 2012/13 (Budget) and 2013/14 (Forecast) - OVERVIEW**

Recommendations of the Executive which met on 29 January 2012, as revised at Strategy & Resources Scrutiny Committee on 3 February 2012, are set out below and the resulting effects and financial implications have been incorporated into the **Budget-Setting Report (Version 4 – Council)**. This updates the Budget-Setting Report (Version 1) which originally went to Strategy & Resources Scrutiny Committee on 16 January 2012.

Unless otherwise specified, all references in the recommendations to Appendices, pages and sections relate to the updated version of the Budget-Setting Report (Version 4 - Council). This can be found via the Council agenda page:

<http://www.cambridge.gov.uk/democracy/ieListDocuments.aspx?CId=116&MId=533&Ver=4>

**Accordingly, Council is recommended to:**

***General Fund Revenue Budgets and Cash Limits / Savings targets:  
[Section 4, commencing on page 30 refers]***

***in relation to the General Fund Revenue Budgets 2011/12 :***

- a) Approve the 2011/12 Revised Budget Savings and Bids as shown in Appendix D [page 75 refers].
- b) Approve the Non Cash-Limit budget items for 2011/12 as shown in Appendix E [page 86 refers].
- c) Approve the overall revised budget for 2011/12, with net spending at £21,464,340, as shown in Appendix G (a) [page 109 refers].

***in relation to the General Fund Revenue Budgets 2012/13 :***

- d) Approve the 2012/13 Non Cash-Limit budget items as shown in Appendix E [page 86 refers].
- e) Approve the 2012/13 Revenue Bids and Savings as shown in Appendix F [page 87refers].
- f) Approve the Bids to be funded from External or Earmarked Funds, as shown in Appendix H [page 112, refers]

- g) Agree the Priority Policy Fund (PPF) Bids, as shown in Appendix I (a) [page 116 refers].
- h) Approve the overall base budget for 2012/13, with net spending at £17,637,700, as shown in Appendix G (a) [page 109 refers, and funding as shown in Appendix G (b) [page 110 refers] and summarised below:

	<b>2012/13</b> <b>£</b>
<b>SPENDING:</b>	
<b>Scrutiny Committees / Portfolios</b>	
Community Services – Arts, Sport & Public Places	5,546,950
Community Services – Community Development & Health	3,496,900
Community Services – Housing	2,750,140
Environment – Environmental & Waste Services	8,829,890
Environment – Planning & Sustainable Transport	1,404,530
Strategy & Resources - Customer Services & Resources	(5,148,740)
Strategy & Resources – Strategy & Climate Change (including central adjustments to be allocated)	2,093,880
<b>Committees / Portfolios Total</b>	<b>18,973,550</b>
Capital Adjustments Account	839,230
Minimum Revenue Provision Adjustment	(3,972,040)
Contribution to Efficiency Fund	200,000
Revenue Contribution to Capital Spending	1,381,000
Contribution to Climate Change Fund	129,050
Council Tax Earmarked for Growth	86,910
<b>Spending Requirement</b>	<b>17,637,700</b>
<b>FUNDING:</b>	
Formula Grant	(8,598,810)
Council Tax Compensation Grant 2012/13	(171,600)
New Homes Bonus 2011/12 & 2012/13	(1,521,540)
Collection Fund Deficit (net)	87,110

	<b>2012/13</b>
	<b>£</b>
Raised from Council Tax (based on recommendation (k), below)	(6,831,370)
<b>Total Funding</b>	<b>(17,036,210)</b>

**Contribution from Reserves** **(601,490)**

- i) Approve the level of reserves to be used to support the 2012/13 budget, at £601,490 as shown above and in Appendix G(c) [page 111 refers].
- j) Approve the Council Tax Base as set out Appendix C (a) [page 74 refers] and set the level of Council Tax for 2012/13 as set out in Appendix C (b) [pages 74(a) and 74(b) refer], based on a 99% collection rate [Section 3, page 27 refers], and that all necessary steps be taken to collect and the Council Tax. In summary:
  - The Council Tax base has been calculated at 41,012 – see Appendix C (a) [page 74 refers];
  - No increase in the City Council level of Council Tax at band D, staying at £166.57 in 2012/13 (0%) – see Appendix C (b) [pages 74(a) and 74(b) refer] also attached;

Note that the Cambridgeshire Police Authority met on 9 February 2012, Cambridgeshire & Peterborough Fire Authority will meet on 16 February 2012 and Cambridgeshire County Council will meet on 21 February 2012 and, to consider the amounts in precepts to be issued to the City Council for the year 2012/13.

- k) Approve:
  - (i) the Prudential Indicators as set out in Appendix T(a) (page 193 refers) and to confirm that the “Authorised Limit” determined for 2012/13 will be the statutory limit determined under section 3 of the Local Government Act 2003.
  - (ii) to delegate to the Director of Resources, within the borrowing totals for any financial year within (i) above, to effect movement between the separately agreed figures for ‘borrowing’ and ‘other long term liabilities’.
  - (iii) the Treasury Management Annual Borrowing and Investment Strategies set out in Appendices T(b) (page 199 refers) and T(c) (page 201 refers), particularly:



- to increase the maximum sum that can be invested with HSBC Bank Plc from £12m to £16m.
  - to amend the limit for a single named institution from £6m to £10m; (retaining the existing maximum sum which may be invested with counterparties belonging to the same company group at 1.5 times the level for a single named institution); and
  - to have the flexibility to use other financial means available to the Council, such as bank call accounts, notice accounts, money market funds, treasury bills and gilts. However, use of such financial instruments would be subject to an assessment in conjunction with the Council's treasury management advisors (Sector) to ensure that it would not prejudice the council's deposit priorities.
- (iv) amendments to the Council's Approved Lending (Revised Counterparty) List, shown in Appendix T(c), Annex 3 (page 210 refers)
- l) Delegate to the Director of Resources authority to finalise changes relating to corporate and departmental restructuring and the reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP) which applied from 1 April 2011 i.e. for 2011/12 budgets.

***Capital: [Section 6, page 47 refers]***

***in relation to the Capital & Revenue Projects Plan: [section 6, page 50 refers]***

- m) Approve the following project appraisals, that have been referred by Executive Councillors:

**From the Executive Councillor for Arts, Sport and Public Spaces:**

- (i) Cherry Hinton Hall Grounds improvements
- (ii) Coleridge Recreation Ground improvements

**From the Executive Councillor for Community Development & Health:**

- (i) Centre at St Paul's – Redevelopment of the main hall
- (ii) Clay Farm Community Centre  
(separate Report on CD&H agenda)

**From the Executive Councillor for Housing:**

- (i) Energy Efficiency Grant
- (ii) Landlord Accreditation Grant

**From the Executive Councillor for Environmental & Waste Services:**

- (i) Vehicle replacements 2012/13

**From the Executive Councillor for Customer Services and Resources:**

- (i) Content Management System Replacement
- (ii) Introduction of a metered electricity supply on Cambridge Market
- (iii) Electronic Market Management System

**Other:**

To agree inclusion in the Capital & Revenue Projects Plan of new items identified below, to note additional funding for revised schemes approved by Executive Councillors namely:

- PR018 - Bus Shelters
  - SC517 - Fuel Tanks Relining
  - SC518 - Corn Exchange Lighting Improvement
  - SC519 - Wulfstan Way Art Project
  - SC520 - Community Olympic Public Art Commission
- n) Agree any recommendations to Council in respect of the bids outlined in Appendix O(a) (page 159 refers) for approval to include in the Capital Plan, or put on the Hold List, including any additional use of reserves required.

**From the Executive Councillor for Planning and Sustainable Transport:**

Approve the removal of item H28 – Park Street Car Park, as identified in Appendix P (page 182 refers), from the Council's Hold List.

- o) Agree the Capital & Revenue Projects Plan , as shown in Appendix M (page 141 refers) for the General Fund (which will be updated to incorporate rephasing, new bids and the above recommendations) and Appendix S (*to be included in Version 5 – see Note*) for the Housing Capital Investment Programme.
- p) Note the impact of revenue, capital and other approvals and approve the level of reserves to be used to:
- i) support the 2011/12 budget
  - ii) support the 2012/13 and future years budgets.

[Appendix G(c), page 111 refers]

**in relation to the Housing Revenue Account: [Section 5, page 41 refers]**

- q) To note that the amendments resulting from the announcement of the final HRA Self-financing Determinations on 1 February 2012 were considered at a special meeting of the Housing Management Board with Community Services Scrutiny Committee on 8 February 2012. This resulting HRA 30-Year Business Plan is recommended for approval to Council under a separate agenda item. Changes required to the Budget Setting Report will be presented for approval by Council under a separate Executive amendment motion.

**Other:**

- r) Approve a contribution to the Climate Change Fund in 2012/13 of £129,050.  
*(Note: this was previously included in page 109 of Appendix G(a) of the BSR under the line for 'Use GF reserves above £5m').*

# Appendix C(b)

## Council Tax Setting 2012/13

1. The Council calculated its Council Tax Base 2012/13 for the whole Council area as **41,012** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
2. The Council calculates that the Council Tax requirement for the Council's own purposes for 2012/13 is **£6,831,370**.
3. That the following amounts be calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Act:

- |     |                     |  |
|-----|---------------------|--|
| (a) | <b>£143,161,730</b> | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act  |
| (b) | <b>£136,330,360</b> | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act  |
| (c) | <b>£6,831,370</b>   | 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 31A(4) of the Act as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act] |
| (d) | <b>£166.57</b>      | being the amount at 3(c) above (Item R), all divided by the amount at 1 above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.   |

4. To note that Cambridgeshire County Council, Cambridgeshire Police Authority and Cambridgeshire & Peterborough Fire Authority ***will be issuing (see note below)*** precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings in the Council's area as indicated in the table below.

***Note: the Cambridgeshire Police Authority met on 9 February 2012, Cambridgeshire & Peterborough Fire Authority will meet on 16 February 2012 and Cambridgeshire County***

*Council will meet on 21 February 2012 and, to consider the amounts in precepts to be issued to the City Council for the year 2012/13 and the table will be updated accordingly.*

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2012/13 for each of the categories of dwellings in the Council's area.

Dwelling Band	City Council £	County Council £	Police Authority £	Fire & Rescue Authority £	Aggregate Council Tax £
A	111.05				
B	129.55				
C	148.06				
<b>D</b>	<b>166.57</b>				
E	203.59				
F	240.60				
G	277.62				
H	333.14				

6. The Council determines that, in accordance with Section 52ZB of the Local Government Finance Act 1992, the basic amount of its council tax for 2012/13 is not excessive.