

YOUTH COUNCIL BUDGET PRESENTATION

2010 / 2011



2013 / 2014

27TH JANUARY 2010

Agenda

- Background
- Key Influencing factors
- **Budget** Strategy
- Key issues facing Middlesbrough
- Central Government Funding
- Budget (Assumptions)
- Budget (Projections)
- New Investment
- Bridging the Gap Proposals 2010/2011
- **Council Tax**
- Reserves update
- **Provisions** update
- Financial Risks
- **Capital**



Background

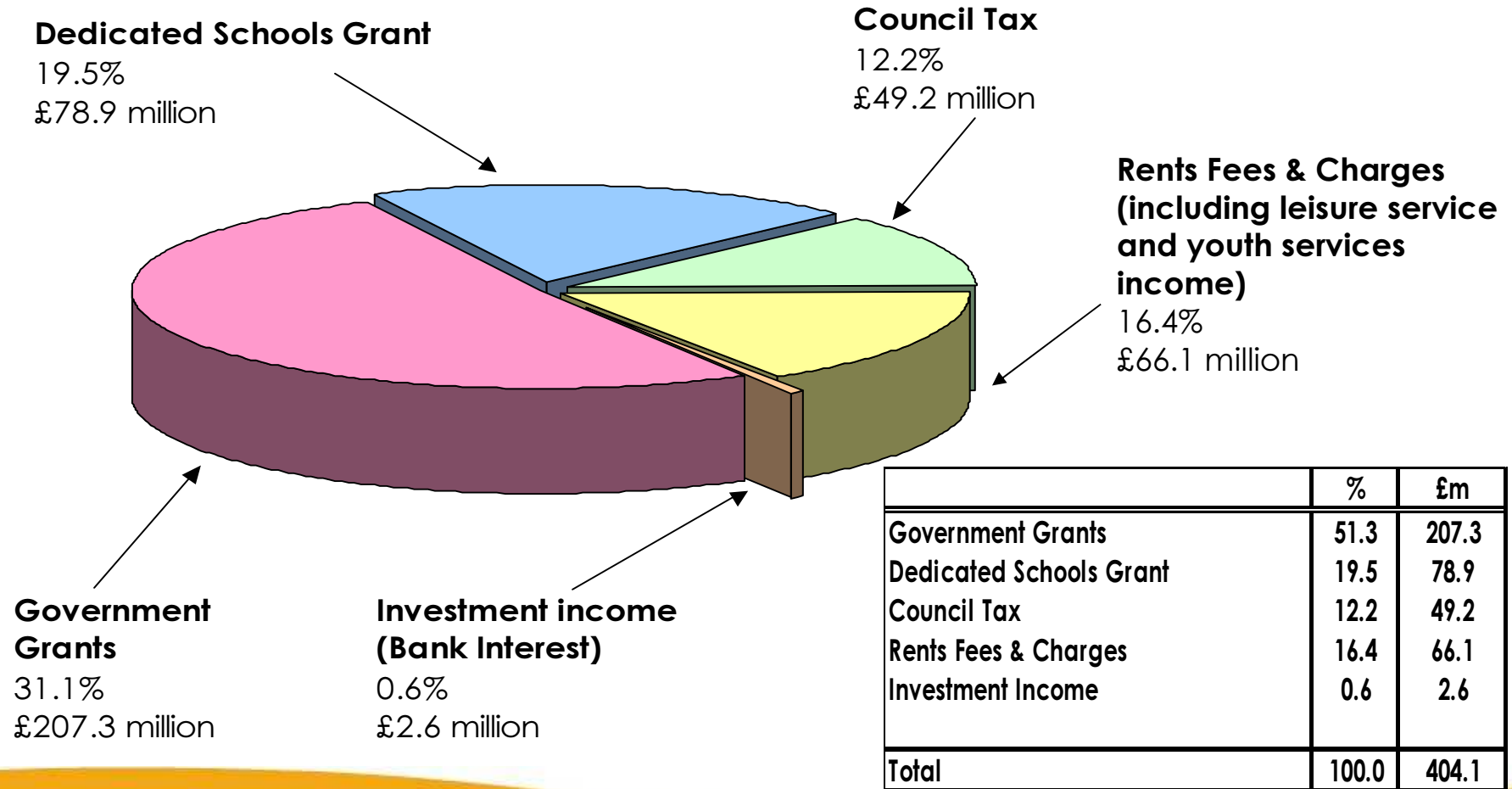
Financial Stability for last 6 years

- **No cuts in Services**
- More spending on priority services
- No significant Over & Underspend
- Savings targets hit
- Proper management and planning with Council's Money
- Proper challenge and option appraisal of spending plans
- No major financial surprises
- Average Level of **Council Tax**

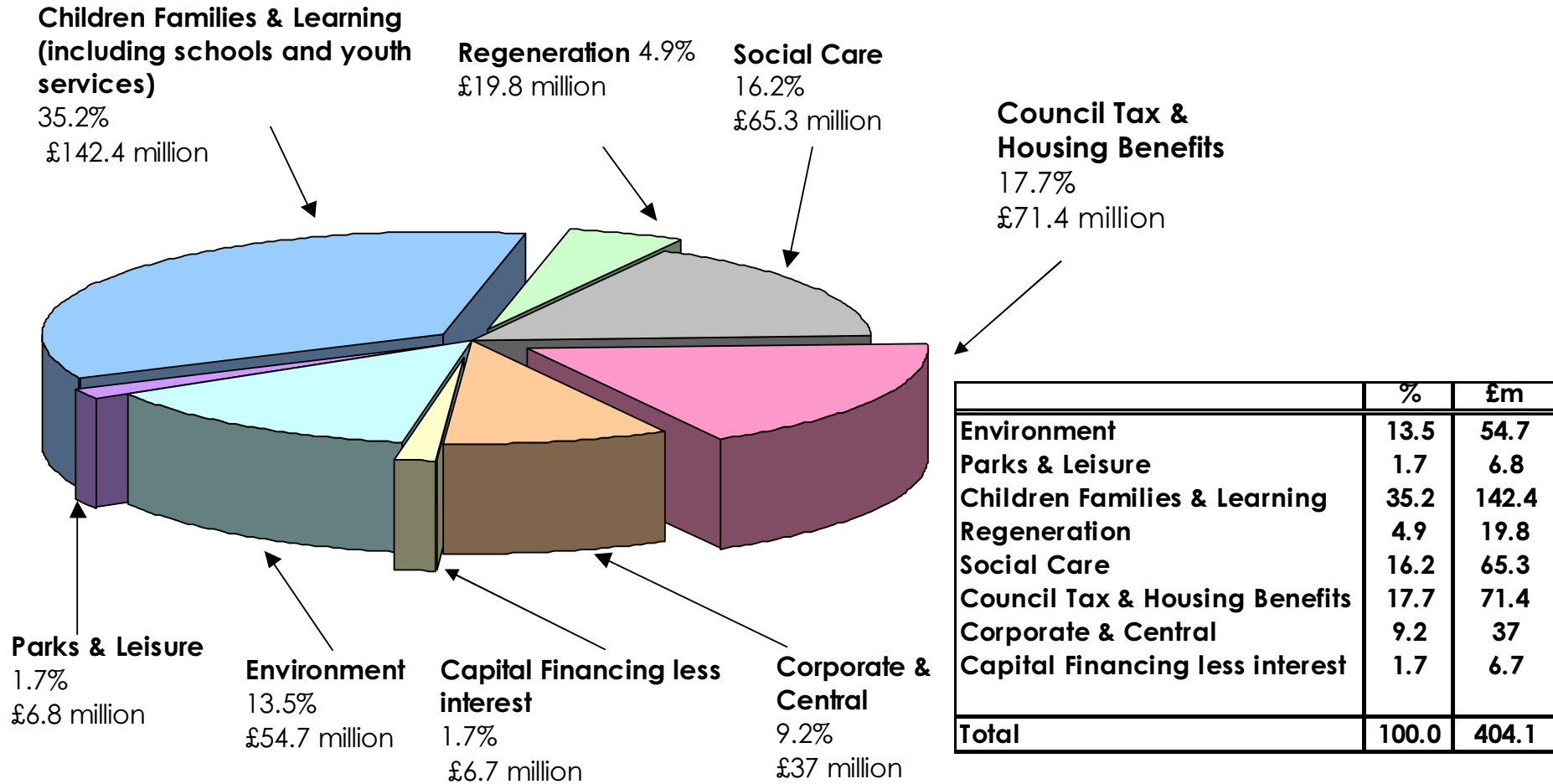


Background

Where the money comes from



Background



Key Influencing Factors

- Budget Strategy
- Government Funding
- **Council priorities**
- Legislation (rules and regulations)
- Council Tax Level
- Financial management
- **Value for Money**
- Management of risks
- External environment



Budget Strategy

- Ensure the money is available for the Council's priorities
- Maximise value for money
- Keep Council Tax increases to reasonable levels
- Proper Financial management of Council's Money
- Consult with people, including young people on the budget

Key issues facing Middlesbrough

- **Government Funding**

- Less available

- **External Pressures**

- Economic Downturn/less bank interest

- **Internal Pressures**

- Possible 2009/2010 overspend £989,000
- Fewer efficiencies possible
- High dependency on External Funding
- Increased demand on Council Services

Central Government Funding

- Only know grant figures to 31 March 2011
- Expecting less **Government Grant**
- Increased **efficiency targets**



Future Budget Assumptions

- **Government grant only 1.5% increase**
- **Inflation**
 - 1.5% Pay increase, 2.0% other **inflation**, 2.0% income charge increase
 - Energy and Fuel prices above inflation (Provision of £200,000 per annum)
- **Economic Downturn**
 - £95,000 (5%) provision for reduced income from business properties rented by the Council.
 - Adjustment made for reduction in bank interest

Future Budget Assumptions

- **Children Families and learning**

- Additional £2,454,000 for children in Council Care
- Additional £500,000 Foster Carers payments

- **Social Care Medium Term Financial Plan**

- Additional £3,546,000 for increasing numbers of older people and disabled people to care for

Future Budget Assumptions

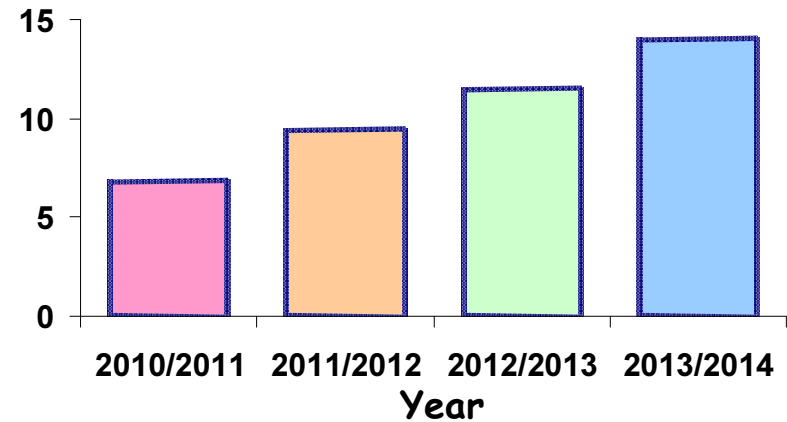
- No additional or new Council services
- Key reliance on provisions
- No additional reliance on balances
- Council Tax Increase at 2.5%



Future Budget Projections

Projected Council Budget Gap

■ 2010/2011	£6.8 million
■ 2011/2012	£9.4 million
■ 2012/2013	£11.5 million
■ 2013/2014	£14.0 million

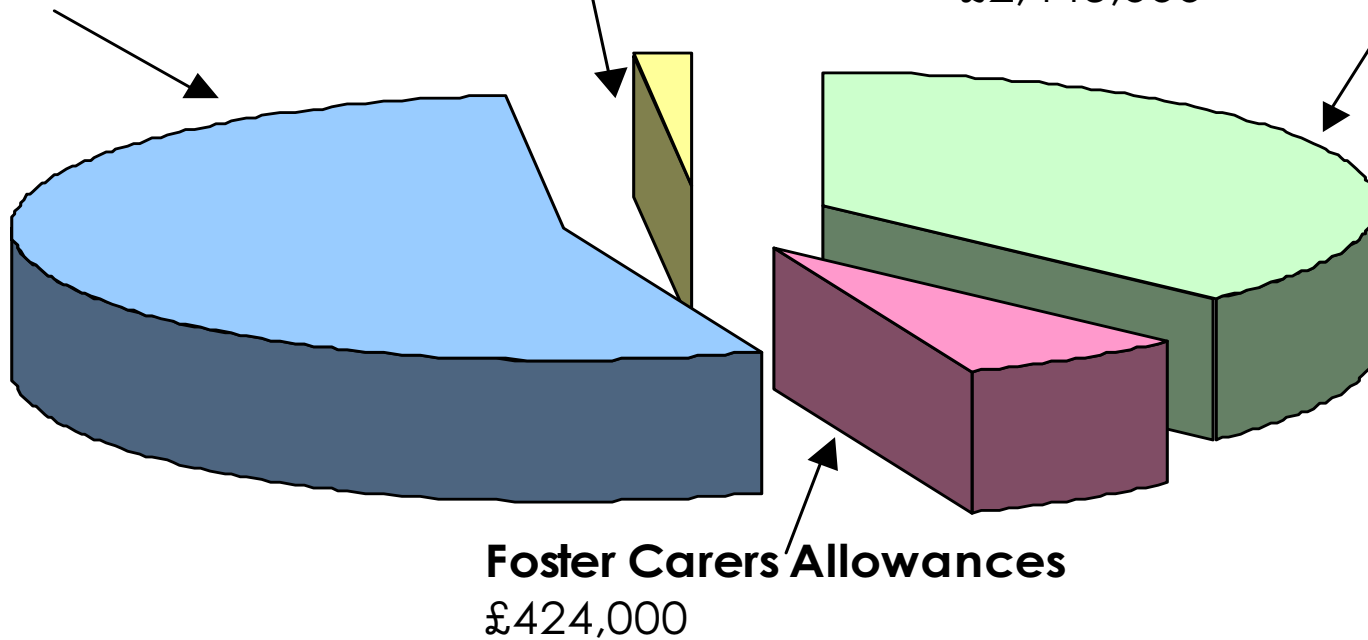


New Investment in Services

Social Care
£3,546,000

Regeneration
£100,000

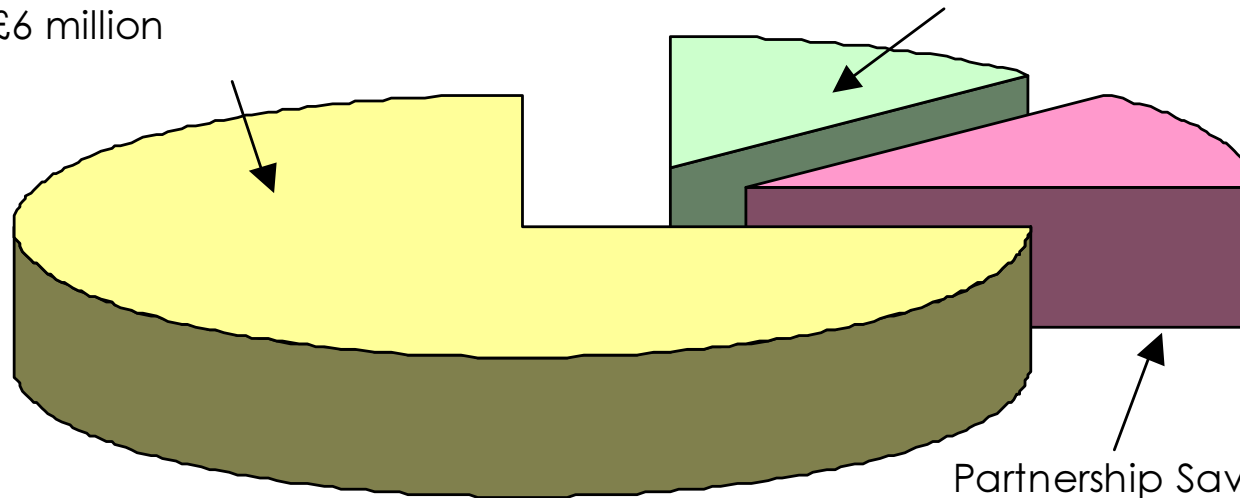
Children Looked After
£2,445,000



Bridging the Budget gap proposals

Council Department
Budget Reductions
(Staff and Non-staff
costs) £6 million

Human Resource Initiative
(Overtime & Allowances) £1
million



Partnership Savings £1
million (from £23
million contract with
Mouchell)

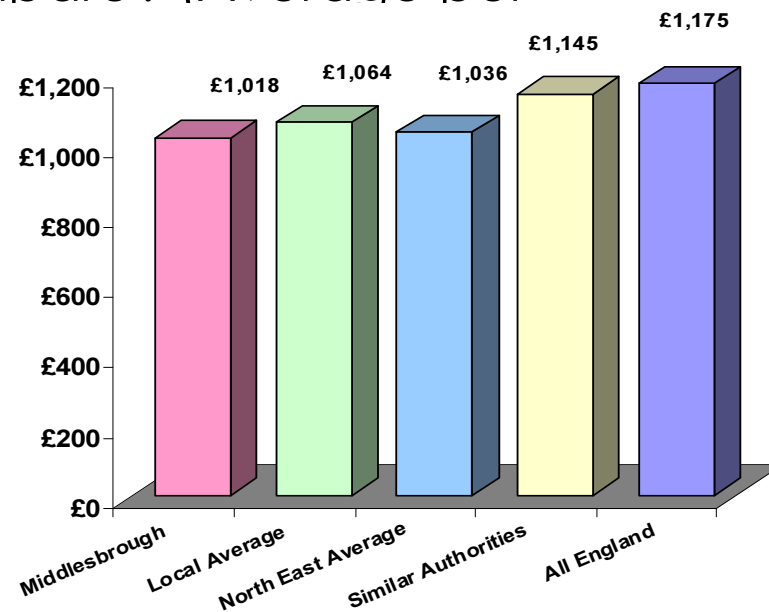
Bridging the Budget gap proposals

	2010/2011 £`000s	2011/2012 £`000s	2012/2013 £`000s
Regeneration	556	565	565
Social Care	645	966	966
Children Families and Learning	1,998	2,736	2,736
Environment	1,571	1,526	1,476
Central Services	479	523	523
Total (Excluding partnership)	5,249	6,316	6,286
Partnership	570	965	1,371

Council Tax

- The Council raises £49.2 million from Council tax
- 1% increase generates £491,000 additional income
- Level of increase can be 'capped' by Central Government
- How does our Council Tax compare? (Average per dwelling)

■ Middlesbrough	£ 1,018
■ Local Average	£ 1,064
■ North East Average	£ 1,036
■ Similar Authorities	£ 1,145
■ All England	£ 1,175



Council Tax

2010/2011 Council Tax Increase %	2010/2011 Budget Gap £ Million
0	8.013
2.5	6.784
16.3	0

Reserves Update

General Fund Reserve	£000's
Opening Balance 1st April 2009	5,539
Less 2009/2010 Outturn	1,014
Estimated balance 1st April 2010	4,525

Provisions Update

- **Key provisions estimated as at 1 April 2009:-**

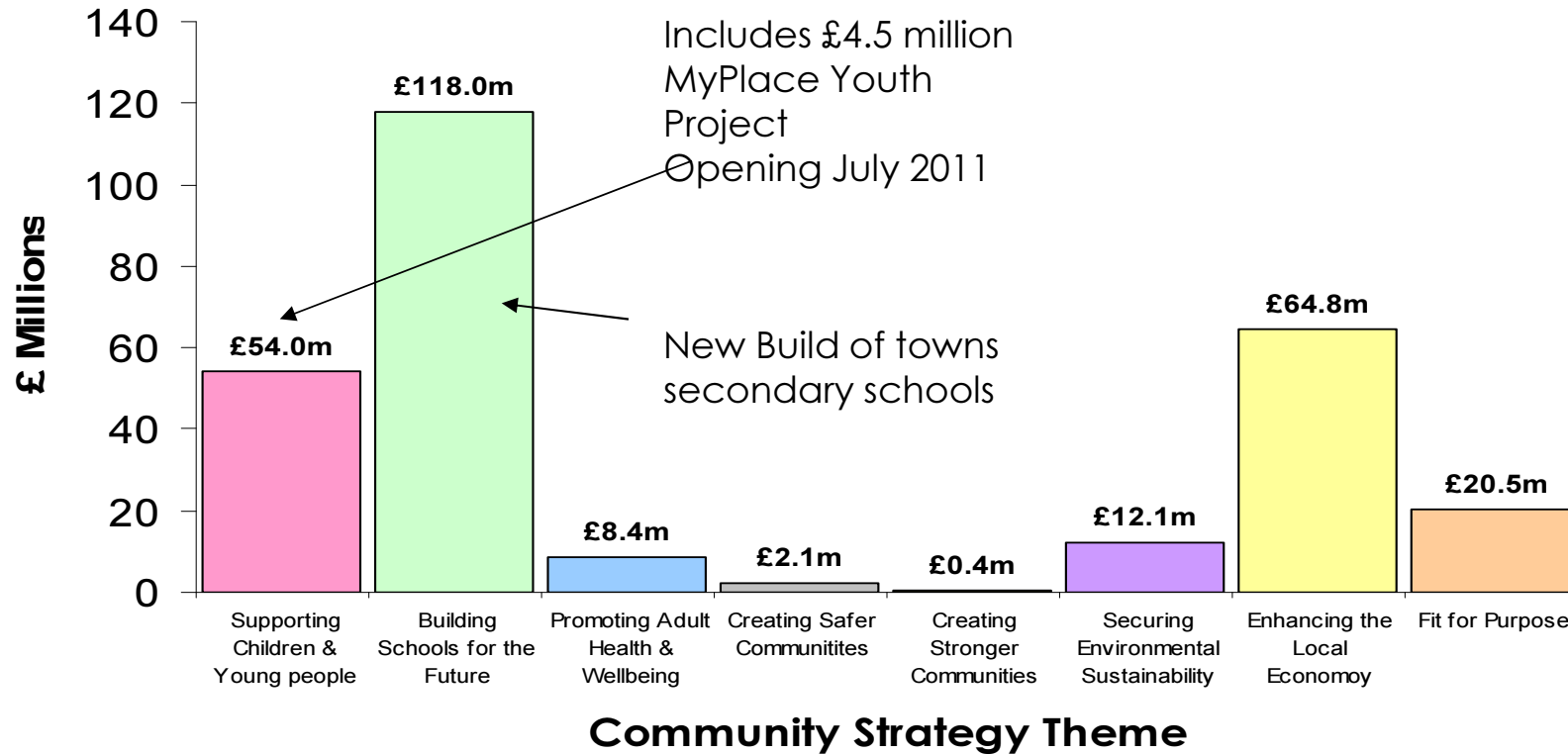
■ Equal pay Capital provision	£11.1 million
■ Job evaluation/HR/Protection costs	£0.6 million
■ Service Middlesbrough/Partnership	£1.0 million
■ Social Services demand led pressures	£1.2 million
■ Building Schools for the Future	£0.3 million
■ Change Programme	£3.5 million

Financial Risks

- Increasing Cost of Children in Care
- New Secondary School Building Project
- Older Housing replacement programme
- Primary School Renewal Project
- Efficiency Savings targets
- Budget Gap 2010/2011 – 2012/2013
- Social Care Spending pressures and Increasing
- Numbers of Older People
- Less Government Grants

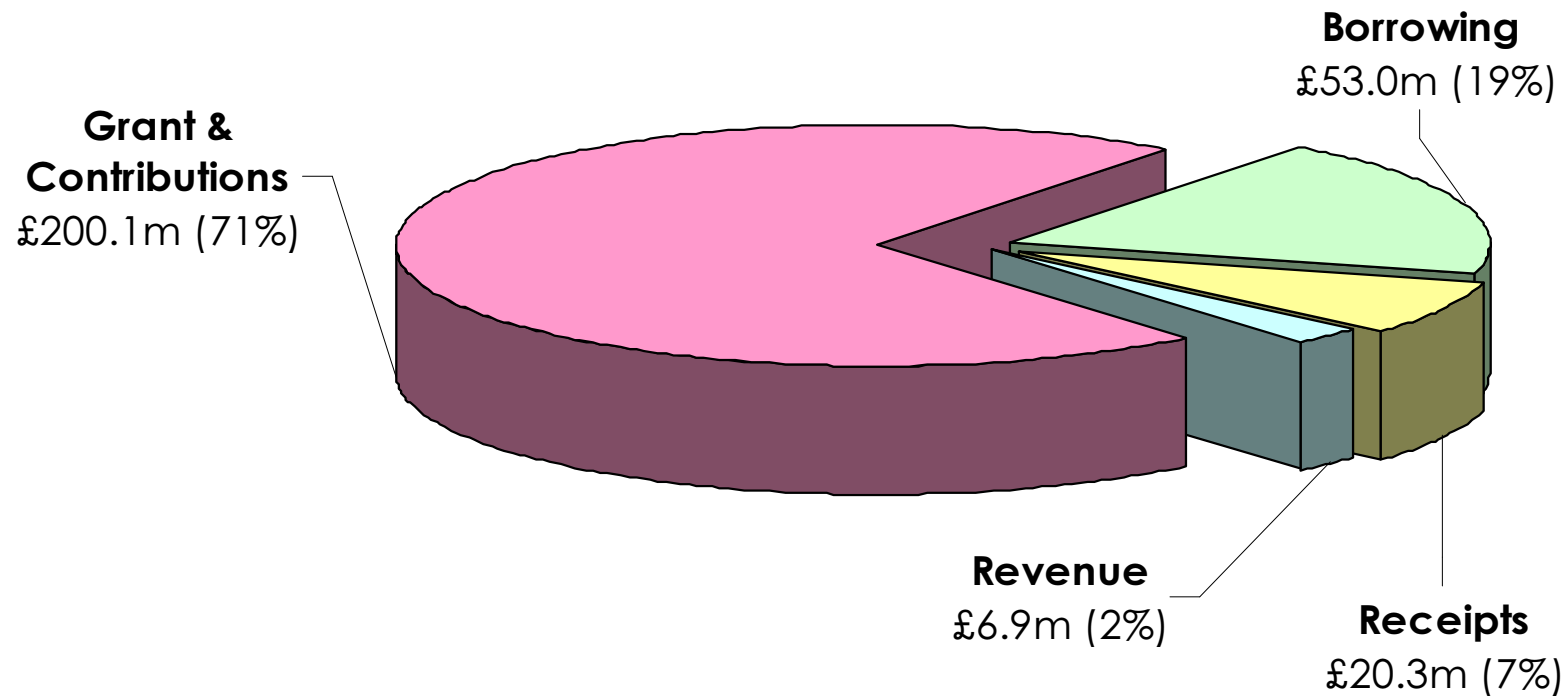
Capital

£280 million - 4 Year Capital Programme



Capital

**£280 million - 4 Year Capital Programme
By Source of Funding**



Recent Capital Projects

