

# budget for *Birmingham*

- Over £70 million more for education and social services
- Council tax rise kept to 4.4% for third year for city council services
- £20 million savings to fund service improvements and relieve pressures on services

# 2003

## PRIORITIES

Each year, we commission a MORI survey to find out what residents' priorities are. The latest survey told us that YOUR priorities for our spending include:

- **STREETS – BOTH CLEANLINESS AND MAINTENANCE**
- **SCHOOLS**
- **SOCIAL SERVICES FOR THE ELDERLY**
- **FACILITIES FOR YOUNG PEOPLE**

The priorities guiding what we do in 2003-04 continue to be improving performance and bringing about flourishing neighbourhoods - attractive areas with decent houses, successful schools, where the people have pride in their area, a sense of community and a say in shaping the services we provide.

## BUDGET STRATEGY

In setting the council's budget we decided to:

- **Increase the focus on council priorities**
- **Improve performance in key service areas**
- **Hold the council tax increase to a similar level to recent years**
- **Allow for general pay inflation of 3.5 per cent and price rises of 2.5 per cent**
- **Recognise that we need to meet the particular pressures that some services face**
- **Give schools all of the government's recommended spending increase**
- **Rebuild council balances**

## KEY BUDGET QUESTIONS ANSWERED

*what's the position on...*

### THE COUNCIL TAX INCREASE?

For the third year running, our own increase in the council tax has been kept at 4.4 per cent. We have worked to keep the increase down while making efficiency savings we can use to improve services. When we add in the fire and police service precepts, the total increase in council tax is 5.2 per cent.

### GOVERNMENT GRANTS?

Following a major government review of its spending, and the way it distributes grants to local councils, we will receive £75 million extra in government funding to help pay for increases in spending. It also means £56 million more spending for schools.

### SAVINGS?

We aim to make savings of almost £20 million in 2003-04 to help fund service improvements. These include efficiency savings of more than £10 million in support services and overheads and in smarter buying. Over £8 million more will be saved through measures including streamlining management and increasing income.

### SERVICE IMPROVEMENTS AND PRESSURES?

We are planning improvements to meet the priorities highlighted by the MORI survey, to help to achieve agreed targets to earn us extra grants and to improve the poor score given to Social Services by the Audit Commission last year. Money is also being diverted to areas with greatest pressures on budgets. Older people's, children's and street services will get extra money as will essential developments across other services.

## REVENUE SPENDING 2003-04 (FIGURES FOR 2002-2003 ARE IN BRACKETS)

### EDUCATION £839 million (£795 million)

Under the new Education Funding Framework for 2003-04, which splits funding between schools and the local education authority (in Birmingham, the city council), the government's recommended spending increase of £55.9m for schools will be passed on to schools. As well as funding for pay awards and inflation, this includes money for the increase in teachers' superannuation rates and replacement funding for grants ceasing in 2003-04, and for investing in improving services.

### SOCIAL SERVICES £381 million (£367 million)

Our drive for improvements is being backed up by extra money to support performance in a number of areas, particularly Crisis Family Support, to reduce dependency on children's placements; reducing delays for hospital discharges; and extra funding to stabilise the residential and nursing home market.

### LEISURE £99 million (£97 million)

Our budget will fund improvements in parks and support library refurbishment. It also reflects the introduction of free admission to community museums and the extended library opening hours introduced in 2002-03. 2003-04 will see the first full year of operation of the new Birmingham High Performance Centre at Alexander Stadium and the reopening of Northfield swimming pool following refurbishment. Money will be spent to provide a programme of events throughout the year and to support community and play provision for children and major arts organisations. Leisure includes costs for tourism, such as the grant to Birmingham Marketing Partnership.

### HOUSING (non-council) £162 million (£174 million)

We will continue to support private sector housing through our regeneration and adaptation schemes along with our enforcement function. For 2003-04, we will be putting greater emphasis on strategy and increased grant-funded programmes for homelessness and rough sleepers.

### COUNCIL HOUSING £353 million (£363 million)

All services, including repairs, housing management and debt, are paid for from tenants' rent and rent rebates income reimbursed from the government. This year will see the rent/service charge policy continue in line with government requirements. Following adoption of the recommendations of the Independent Housing Commission, we will be developing ways to involve tenants more in the running of their neighbourhoods through community based housing organisations. Improving efficiency and using money from council house sales will give an extra £22 million for investment in the council housing stock.

### TRANSPORTATION £83 million (£78 million)

We have made extra revenue available for the city's highways and traffic management infrastructure and to fund more staff to carry out the Countryside Rights of Way legislation and support bus use. Our capital programme will provide locally decided, ward-based street lighting improvements and minor works and local safety schemes programmes for a further year. The Local Transport Plan has provided extra capital for bridge strengthening to meet a EU directive on 40-tonne lorries using primary routes.

### ENVIRONMENTAL HEALTH £29 million (£29 million)

We will be investing in the upkeep of cemeteries and crematoria and developing a new cemetery for the south of the city. We will target enforcement activity on crime and grime, particularly flytipping and litter. An air quality action plan will be produced, we will target rogue traders and be vigilant in our work to stop traders selling age-related goods to young people. We will help consumers and people who find themselves in debt and there will be more money to deal with increasing calls for pest control services.

### REFUSE COLLECTION AND DISPOSAL £52 million (£48 million)

We continue to operate one of the most comprehensive, free at point of delivery refuse collection services in the country. We are providing extra money to meet demand for services such as bulky household waste collections, special street collections, abandoned vehicles, clinical waste and recycling.

### ECONOMIC DEVELOPMENT AND PLANNING £114 million (£69 million)

We will be investing to deliver flourishing neighbourhoods in the city. You'll see a new, local focus on regeneration in east and west Birmingham. Existing programmes for Aston, north-west Birmingham and Kings Norton will continue and we will aim for greater co-ordination between these. We will also work to assist people into employment in those wards with the highest unemployment rates. Investment and developments that create employment will take place through major regeneration proposals for the A38 Technology Corridor, two regeneration zones - Arc of Opportunity in north-west Birmingham and Enterprising Communities in south-east Birmingham. The transformation of the city centre and Eastside will continue, as will work on major projects such as the Bull Ring, Masshouse, City Park Gate and the new Library of Birmingham. A priority will be to strengthen planning in the council, including improving the speed at which planning applications are decided. N.B. The increase in spending between 2002-03 and 2003-04 is due to a change in the accounting treatment of certain costs, all of which is matched by income.

### OTHER SPENDING £301 million (£260 million)

This will include council tax collection costs and benefit payments; the NEC, the ICC and neighbourhood offices; central support; general contingency £6 million (£9 million in 2002-2003); WMPTA and Environment Agency levies.

We will continue to improve our Benefit Service by reducing the time that people have to wait for their housing and council tax benefit and there will be new services to increase benefit take-up for older people, people with disabilities and for tenants. We aim to raise £18m in total for Birmingham residents.

New retail markets will open with the relaunch of the Bull Ring in September 2003. We will also continue to improve our telephone enquiry service by developing Contact Birmingham, our customer contact centre.

## TOTAL COUNCIL SPENDING £2,413 MILLION (£2,280 MILLION)

## ABOUT THE BUDGET

As of 31 March 2002, the council's borrowing was £1,152 million. This includes £14 million which is the responsibility of other authorities, but excludes £78 million administered by other authorities but which is our responsibility.

The 2003-04 budget includes £45.7 million for the West Midlands Passenger Transport Authority levy (£43.8 million in 2002-03) and £3.3 million for the Environment Agency levy (£3.3 million in 2002-03).

The budget covers 36,172 whole time employees - compared with 36,021 for 2002-03. Reasons for the increase include: new grant funded staff for Social Services, Economic Development, the Benefits Service and Education and the deferment of the transfer of Social Services' home support staff to the independent sector. These are partly offset by reductions in employees from efficiency savings and schools having outside catering.

Frankley Parish Council is levying a precept for 2003-04. Its charge will be made only upon council taxpayers in the Frankley Parish and amounts to £52,915, equivalent to £25.15 per property in Band D.

## ENVIRONMENT AGENCY

DETAILS OF THE MIDLANDS REGION FLOOD DEFENCE COMMITTEE'S FINANCES:

	2003-04	2002-03
Gross spending (£'000)	41,434	39,136
Net spending (£'000)	31,899	30,901
Levies required (£'000)	32,328	30,936
Council Tax base (Band D equivalent properties)	2,724,404	2,701,164

### CHANGES IN LEVIES REQUIREMENTS DUE TO:

	2002-03 TO 2003-04	£'000
Inflation (inc. economies and efficiency savings)		+780
Changes in quality/quantity of service		+1,518
Funding capital from revenue		0
Differences in income received or expected by way of fees and charges (inc. contributions from Internal Drainage Boards)		-1,300
Changes in net expenditure		+998
Transfers to balances		+394
Changes in levy requirements		+1,392

## BUDGET REQUIREMENT

	2002 - 2003	2003 - 2004	2004
	£m	£m	£ per head
Gross spending	2,279.5	2,413.4	
Less: gross income	-1,105.0	-1,128.9	
Net spending	1,174.5	1,284.5	1
Use of/contribution to general balances	-7.0	1.7	
One off contribution from specific resources	-	-4.1	
City Council budget requirement	1,167.5	1,282.1	
Less: revenue support grant	-608.0	-723.2	
Less: redistributed non-domestic rates	-300.1	-285.8	
Less: estimated collection fund surplus brought forward	-0.1	-0.1	
<b>CITY COUNCIL BUDGET REQUIREMENT TO BE FINANCED BY COUNCIL TAX</b>		<b>259.3</b>	<b>273.0</b>

## HOW SPENDING HAS CHANGED

	£m
CITY COUNCIL'S 2002-03 BUDGET WAS:	
Change of responsibilities and funding	+
Inflation (non schools)	+28.3
Schools' funding	+55.9
Efficiency savings	-18.6
Other changes, such as movements in capital charges	
Budget pressures	+30.6
Reduction in use of balances/reserves	
<b>GIVING A CITY COUNCIL 2003-2004 BUDGET OF:</b>	

## More information

help and advice:

Enquiries about your Council Tax Bill?

Write to Birmingham City Council, Revenues and Payments  
PO Box 5, Birmingham, B4 7AB. Or call 303 1113

Enquiries about Council Tax benefit?

Call in at any Neighbourhood Office. Or telephone 303 1113

Enquiries about National Non-Domestic Rating demands?

Write to Birmingham City Council, Revenues and Payments  
PO Box 6637, Birmingham, B4 7AB. Or call 303 5510