

<b>Subject:</b>	<b>General Fund Revenue Budget &amp; Council Tax 2017/18- Extract from the proceedings of the Policy, Resources &amp; Growth Committee Meeting held on 9 February 2017</b>
<b>Date of Meeting:</b>	<b>23 February 2017</b>
<b>Report of:</b>	<b>Executive Lead for Strategy, Governance &amp; Law</b>
<b>Contact Officer:</b> Name:	<b>Ross Keatley</b> Tel: <b>29-1064</b>
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<b>Wards Affected:</b>	All

**FOR GENERAL RELEASE*****Action Required of Council:***

To receive the item referred from the Policy, Resources & Growth Committee for decision:

**Recommendation:**

- 1) That Council agree the Administration's proposed Council Tax increase in the Brighton & Hove element of the council tax, comprising:
  - a) A general Council Tax increase of 1.99%;
  - b) An Adult Social Care precept increase of 3.00%;
  - c) The Council's net General Fund budget requirement for 2017/18 of £203.590m;
  - d) The 2017/18 budget allocations to services as set out in Appendix 1 incorporating 2017/18 savings proposals contained in the 4-Year Integrated Service & Financial Plans;
  - e) The reserves allocations as set out in paragraph 3.26 and table 2;
  - f) The Prudential Indicators as set out in Appendix 8 to this report.
  - g) That disabled bay application fees and individual bays be frozen at current rates.
- 2) That Council note the Equalities Impact Assessments to cover all budget options and their cumulative effect are set out in Appendices 9 and 10.
- 3) That Council approves the authorised borrowing limit for the year commencing 1 April 2017 of £419m.

- 4) That Council approves the annual Minimum Revenue Provision statement as set out in Appendix 7.
- 5) That Council notes the 4-Year Integrated Service & Financial Plans and associated Budget Strategies including savings proposals for later years up to and including 2019/20 at appendix 6.
- 6) That Council approves the strategy for funding the investment in change and flexible use of capital receipts set out in paragraphs 3.63 to 3.66.
- 7) That Council note that supplementary information needed to set the overall council tax will be provided for the budget setting Council as listed in paragraph 4.3.

**BRIGHTON & HOVE CITY COUNCIL****POLICY, RESOURCES & GROWTH COMMITTEE****4.00pm 9 FEBRUARY 2017****COUNCIL CHAMBER, HOVE TOWN HALL, NORTON ROAD, HOVE, BN3 3BQ****MINUTES**

**Present:** Councillors Morgan (Chair), Hamilton (Deputy Chair), G Theobald (Opposition Spokesperson), Mac Cafferty (Group Spokesperson), Chapman, Janio, Mitchell, A Norman, Sykes and Wealls

**PART ONE****123 GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2017/18**

- 123.1 The Committee considered a report of the Executive Director for Finance & Resources in relation to General Fund Revenue Budget & Council Tax 2017/18. The report set out the final proposals for the General Fund Revenue Budget and Council Tax for 2017/18 together with the Service & Financial Plans up to 2019/20. The increase in the council tax level was based on the minority Administration's council tax proposal of 1.99% together with a further 3% increase in respect of the Adult Social Care precept. The report incorporated previous decisions made by the Committee on the council tax base and business rates tax base, and by full Council on the Council Tax Reduction Scheme.
- 123.2 The Chair noted the amendment proposed by the Environment, Transport & Sustainability Committee to the fees and charges that fell within the Committee's remit. He noted that as the proposed amendment related to very minor sum of money, it could be accepted.
- 123.3 In response to a series of questions from Councillor Sykes the following responses were provided. A line by line analysis of budgets had been undertaken since December to reduce the budget savings required by the Youth Services; the figures of £105K related to a number of savings that had been found in other arrears such as back office costs, extra income and amalgamations of some small matters. In relation to Major Projects a service redesign was being undertaken, but this would not impact on the delivery of the various major regeneration programmes in the city. Further savings in the Housing Department were being identified by looking at efficiency savings in contracts. Further savings had been identified in Revenues & Benefits through work to digitalise areas of the service – historically this department had proved to be effective in delivering savings. In relation to contract management an additional £200K of corporate resources had been identified, and the Audit & Standards

Committee had identified the need for the organisation to build greater commercial skill in this area to lead to greater efficiencies.

- 123.4 In response to a series of question from Councillor G. Theobald the following responses were provided. The increase in Council Tax was a function of two areas, an increase in the rate, and an increase in the number of properties projected for collection. The funding for schools in the city was purely formula driven. Opting for the 3% precept for adult social care would help the Council to met the budget gap; it was acknowledged that there might eventually be a tipping points for residents in relation to increases; however, collection rate had largely remained the same year on year. There was significant investment going into adult social care to help meet the £6.3M budget, and the precept would be demonstrated that the precept funds would be used to do this.
- 123.5 In response to further questions from Councillor G. Theobald the following responses were provided. In relation to the modernisation fund it was highlighted that not all the fund had been allocated. The corporate rate of inflation was set at 2%, but this took account of a range of factors and averaged out at around this figure. Officers had undertaken work with the city's sports clubs to deliver the savings required in the parks and open spaces strategy. Councillor Hamilton noted that there were no fee increases proposed for sports clubs.
- 123.6 It was agreed that a response would be sent to Councillor Wealls in relation to the No. 37 bus service.
- 123.7 In response to a series of questions from Councillor Mac Cafferty the following responses were provided. Officers were of the view that services in relation to substance misuse reduction could still be delivered through the current contract and the deliver the savings required, whilst preventing people representing. In relation to front desk customers services the general approach was a channel shift to more self-service online, in terms of working with staff there was a training and development programme; Councillor Mac Cafferty asked Officers to carefully consider how this was carried out to take account of digital isolation in the city.
- 123.8 It was agreed that responses would be sent after the meeting to Councillor Mac Cafferty's questions in relation to sexual health services and the Citizen's Advice Bureau.
- 123.9 It was agreed that further information would be sent to Councillors Janio after the meeting in relation to the numbers of employees in the organisation that gave the detail missing from the raw FTE figure.
- 123.10 Councillor Sykes stated that the budget was unnecessary and damaging, he noted that whilst there were no easy options to Green Groups were engaging with Officers to see what amendments that could put forward to rebalance some of the emphasis in the budget.
- 123.11 Councillor Hamilton highlighted the advantages taking accepting greater rises in early years, and noted that this ability could be removed in years to come. He noted that many of the proposals were challenging.

123.12 Councillor Mitchell noted that there was no planned increase in any fees and charges for sports clubs whilst changes to the services were being discussed. She also noted that the rate of inflation for parking was 2%, at the corporate rate of inflation.

123.13 The Chair highlighted that a recent survey had suggested 94% of local authorities were planning to increase council tax this year, and 4/5 were likely or very likely to take up all or some of the adult social care precept.

123.14 The Chair then put the recommendations to the vote. These were carried with 4 in support and 6 abstentions.

**123.15 RESOLVED TO RECOMMEND:**

- 1) That Council agree the Administration's proposed Council Tax increase in the Brighton & Hove element of the council tax, comprising:
  - a) A general Council Tax increase of 1.99%;
  - b) An Adult Social Care precept increase of 3.00%;
  - c) The Council's net General Fund budget requirement for 2017/18 of £203.590m;
  - d) The 2017/18 budget allocations to services as set out in Appendix 1 incorporating 2017/18 savings proposals contained in the 4-Year Integrated Service & Financial Plans;
  - e) The reserves allocations as set out in paragraph 3.26 and table 2;
  - f) The Prudential Indicators as set out in Appendix 8 to this report.
  - g) That disabled bay application fees and individual bays be frozen at current rates.
- 2) That Council note the Equalities Impact Assessments to cover all budget options and their cumulative effect are set out in Appendices 9 and 10.
- 3) That Council approves the authorised borrowing limit for the year commencing 1 April 2017 of £419m.
- 4) That Council approves the annual Minimum Revenue Provision statement as set out in Appendix 7.
- 5) That Council notes the 4-Year Integrated Service & Financial Plans and associated Budget Strategies including savings proposals for later years up to and including 2019/20 at appendix 6.

- 6) That Council approves the strategy for funding the investment in change and flexible use of capital receipts set out in paragraphs 3.63 to 3.66.
- 7) That Council note that supplementary information needed to set the overall council tax will be provided for the budget setting Council as listed in paragraph 4.3.

123.16 **RESOLVED** – That the Committee agrees that officers be authorised to make any necessary technical, presentational or consequential amendments to this report before submission to full Council.