

**BRIGHTON & HOVE CITY COUNCIL**

**26 FEBRUARY 2004**

**4.30PM**

**BRIGHTON TOWN HALL**

**MINUTES**

Present: Councillor Jeane Lepper (Mayor); Councillors Allen, Battle, Bennett, Bodfish, Mrs Brown, Burgess, Carden, Mrs Cobb, Davidson, Mrs Drake, Edmond-Smith, Elgood, Fitch, Forester, Framroze, Giebeler, Hamilton, Hawkes, Hazelgrove, Hyde, John, Kemble, Kielty, Mallender, McCaffery, Meadows, Mears, Meegan, Mitchell, Morgan, Mrs A Norman, K Norman, Older, Oxley, Paskins, Peltzer Dunn, Pennington, Pidgeon, Randall, Mrs Simson, Smith, Taylor, Mrs C Theobald, G Theobald, Tonks, Turner, Turton, Watkins, Wells, Williams, Willows, Wrighton and Young.

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**70. DECLARATIONS OF INTEREST**

70.1 There were no declarations of interest.

**71. MAYOR'S COMMUNICATIONS**

71.1 The Mayor reported that under the section 30 (6) of the Local Government Act 1992 the Council has a duty to set the Council Tax by 11 March 2004. A failure to set tax does not then itself invalidate the tax demands but it has other adverse consequences including the potential loss of income to the Council. One significant practical implication is that the contractor who prints and sends out the Council Tax bills has a slot booked to process the City Council's bills on 27 February (tomorrow).

71.2 The Mayor invited the Monitoring Officer to draw our attention to some of the key points in the procedural note that had been circulated.

71.3 The Mayor stated that she appreciated that Members will wish to discuss all three items under the Policy and Resources Committee proceedings there will not be a formal callover. A procedural note for today's Budget debate, which she hoped members would find helpful. It was intended that, as usual, the Revenue Budget, the Capital Resources and Capital Investment Programme, and the Housing Revenue Account Budget would be taken together. The Mayor advised the Council that Procedural Rules would need to be suspended to enable the business to be dealt with as set out in the procedural note and moved accordingly.

71.4 The Council agreed.

**72. GENERAL FUND REVENUE BUDGET AND COUNCIL TAX 2004/05 (Item 3(a)), CAPITAL RESOURCES AND CAPITAL INVESTMENT PROGRAMME FOR 2004/05 (item 3(b)), and HOUSING REVENUE ACCOUNT BUDGET 2004/05 (item 3(c))**

72.1 Councillor Burgess addressed the Council on items 3(a), 3(b) and 3(c) of the report of the Policy and Resources Committee held on 11 February 2004. Councillor Burgess also referred to subsequent amendments that had been agreed by the Administration and which had been tabled. Councillor Burgess moved the recommendations as set out in the Policy and Resources Committee as amended by the Administration, in the paper that had been tabled at the meeting, and was seconded by Councillor Elgood. Therefore in the circumstances the recommendations as amended became the substantive motion, which were subsequently debated.

72.2 Councillor Peltzer Dunn moved the following amendments that were seconded by Councillor Oxley:

Directorate	Service Area	Description of budget proposal	Service Impact	Value £'000	Council Tax Impact %
<b>Amendment 1 Environment</b>	Highways	Reduction in preventative maintenance budget for unclassified roads	Total budget for preventative work on unclassified roads is £1.494m. The proposal is to cut this by a further 15% to 40%. The programme of works would need to be adjusted accordingly with emphasis on Health and Safety. Performance is likely to worsen against national standards.	250	-0.30%

Directorate	Service Area	Description of budget proposal	Service Impact	Value £'000	Council Tax Impact %
<b>Amendment 2 Corporate Services</b>	Economic Dev & Regeneration	Net reduction of expenditure on grants	Grants to housing and arts organisations will be reduced. Some monies will be added to MIND and Money Advice services. Provisional grant allocations already agreed and notified.	200	-0.24%
<b>Amendment 3 Children, Families &amp; Schools</b>	BrightStart Nursery	Removal of subsidy by increasing charges	Additional charges to council employees, which could lead to fewer employees using the service. However, tax relief for higher payments may be available.	100	-0.12%
<b>Amendment 4 Comms &amp; Democratic Services</b>	Comms & publicity	Savings from reduced and restructured section	Will create a basic service undertaking statutory functions. Directorates may need to respond to press enquiries direct. Redundancy of up to 10 FTE staff.	250	-0.30%
<b>Amendment 5 Comms &amp; Democratic Services</b>	Affiliations	Cancel subscription to LGIU, SEERA and Peace Messenger Cities	SEERA – Reduction of perceived influence at regional level.	35	-0.04%
<b>Total</b>				<b>835</b>	<b>-1.00%</b>

72.3 On being put to the vote, each amendment was voted on separately. All the amendments were lost.

72.4 Councillor Taylor moved the following amendments that were seconded by Councillor Randall:

Directorate	Service Area	Description of budget proposal		Service Impact	Value £'000	Council Tax Impact %
Amendment 1 Environment	Parking/ Transport	Additional income. Bring Hove, Madeira Drive and Kingsway on-street parking charges into line with those of outer Brighton, at £1 per hour.		This is estimated to generate £1.960m for the Hove proposals and £230k for Madeira Drive/Kingsway. Total additional revenue £2,190m	2,190	-2.63%
Amendment 2 Environment	Parking/ Transport	Additional expenditure on:				
		a) Congestion and Workplace Charging feasibility study		Expenditure item	(50)	+0.06%
		b) Improving sustainable transport, including Red Zones, Home Zones & restoration of subsidised bus routes and introduction of Taxibus pilot schemes.		Expenditure item	(490)	+0.59%
Sub total					(540)	+0.65%
Amendment 3 Corporate Services	Miscellaneous & Property Services	Sale of motor car number plates CD 1 and H2 OVE	Classed as capital receipts. To enable these to be classed as revenue savings a funding switch with Planned Maintenance revenue contributions to capital will be required.		75	-0.09%
Amendment 4 Corporate Services	Economic Dev & Regeneration	Expenditure item. Increase the Discretionary Grants budget by 5%	The exact distribution of funds to be decided at a later date.		(35)	+0.04%
Amendment 5 Delete the following items from the Labour Group amendment:						
	Capping of the service pressure contingency for independent foster agency placements				(170)	
	Capping of the service pressure contingency for disability agency placements				(70)	
	Removal of contingency funding for the implementation of the family support strategy				(100)	

Directorate	Service Area	Description of budget proposal	Service Impact	Value £'000	Council Tax Impact %
		Reduction in budget for in-house homecare service		(20)	
		Reduction in contract variations budgets through tighter management of demand		(100)	
		Removal of structural maintenance budget for unclassified roads		(129)	
		Reduction in preventative maintenance budget for unclassified roads		(371)	
		S31 Partnership - Capping of service pressure funding		(500)	
		Removal of part of the contingency funding for potential additional costs of single status during 04/05		(550)	
		<b>Sub total</b>		<b>(2,010)</b>	<b>+2.42%</b>
<b>Total</b>				<b>(320)</b>	<b>+0.39%</b>

72.5 On being put to the vote, each amendment was voted on separately. All the amendments were lost.

72.6 The 2004/05 General Fund Revenue Budget proposals as set out in the report as amended by the revised papers sent out prior to Budget Council and the Labour Budget Amendment at the meeting were approved and the following were noted:

- the savings proposed by Directorates detailed in annex 1 to the report and the additional savings contained within the Labour Budget Amendment.
- the levies proposed for 2004/05 as set out in the revised appendix 2 circulated prior to Budget Council.
- the contingency budget of £4.248m.
- the 2004/05 Revenue Budget for Financing Costs of £9.199m.
- the other corporate budgets as set out in the revised appendix 2 circulated prior to Budget Council.
- the reserves allocations as set out in appendix 5 to the report.
- that the City Council's budget requirement for 2004/05 be £273.843m
- the band D council taxes for 2004/05 as set out in the Labour resolution for Budget Council.

72.7 The contribution of £126,000 to the establishment of the East Sussex Fire Authority's reserves was agreed.

72.8 A borrowing limit of £240 million for the year commencing 1 April 2004 was set and agreed.

72.9 The prudential indicators as set out in Appendix 11 to the report as amended below:

(a) Indicator A1 – Estimates of the ratio of financing costs to net revenue stream 2004/5 of 3.1%.

(b) Indicator A2 – Estimates of the impact of the new capital investment decisions on the council tax 2004/5 to 2006/7

– Addition in council tax requirement 2004/5 of £22.91

– Addition in council tax requirement 2005/6 of £44.05

– Addition in council tax requirement 2006/7 of £61.68

were approved.

72.10 The current medium term financial position of the City Council including the projections for the budget gap of £19.4m for 2005/6 and £17.8m for 2006/7, assuming 2% efficiency savings and no increase in council tax, were noted.

**72.11 (a) THE REVENUE BUDGET AND COUNCIL TAX 2004/05**

**RESOLVED:** (1) That it be noted that at its meeting on 22 January 2004 the Council calculated the following amounts for the year 2004/2005 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992.

a 90,282.62 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the year,

b Parts of the Council's Area

Rottingdean Parish – 1,423.65

Hanover Crescent Enclosure – 39.92

Marine Square Enclosure – 72.50

Royal Crescent Enclosure – 30.43

being the amounts calculated by the Council, in accordance with regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

(2) That the following amounts be now calculated by the Council for the year 2004/2005 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 ("the Act"):-

£527,431,728 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act net of contingency, levies and "County-wide" services and special items

Contingency – £4,248,000

Levies and "County-wide" services:-

- £ 359,700 – East Sussex Magistrates Court Service
- £ 74,040 – Environment Agency (Flood Defence)
- £ 91,578 – Sussex Sea Fisheries

Special expenses:-

- £22,000 – Rottingdean Parish
- £5,407- Hanover Crescent Enclosure Committee
- £9,332 – Marine Square Enclosure Committee
- £5,050 – Royal Crescent Enclosure Committee

£41,789 – Total of special items

- a £ 532,246,835 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act including contingency and special items
- b £ 258,715,835 Income from Fees, Charges and specific Government grants.  
£ -312,000 contribution to reserves  
£ 258,403,835 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) (a) to (c) of the Act
- c £ 273,843,000 being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council in accordance with Section 32(4) of the Act as its budget requirement for the year.
- d £ 184,158,119 being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates and revenue support grant and increased by the amount of the sums which the Council estimates will be transferred in the year from its collection fund to its general fund in accordance with section 97(3) of the Local Government Finance Act 1988 (Council Tax surplus) and increased by the amount of any sum which the Council estimates will be transferred from its collection fund to its general fund pursuant to directions

under section 98(4) of the Local Government Finance Act 1988 (Community Charge Surplus).

- e £ 993.38 being the amount at 2© above less the amount at 2(d) above, all divided by the amount at 1(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year
- f £ 41,789 being the aggregate amount of all special items referred to in Section 34(1) of the Act
- g £992.92 being the amount at 2(e) above less the result given by dividing the amount at 2(f) above by the amount at 1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special items relates
- h Parts of the Council's area  
 Rottingdean Parish - £1,008.37  
 Hanover Crescent - £1,128.37  
 Marine Square - £1,121.64  
 Royal Crescent - £1,158.87

being the amounts given by adding to the amount at 2(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for the dwellings in those parts of its area to which one or more special items relate

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<b>Valuation Band:</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>Parts of the Council's area</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rottingdean Parish	560.21	672.25	784.29	896.33	1,008.37	1,232.45	1,456.53	1,680.62	2,016.74
Hanover Crescent	626.87	752.25	877.62	1,003.00	1,128.37	1,379.12	1,629.87	1,880.62	2,256.74
Marine Square	623.13	747.76	872.39	997.01	1,121.64	1,370.89	1,620.15	1,869.40	2,243.28
Royal Crescent	643.82	772.58	901.34	1,030.11	1,158.87	1,416.40	1,673.92	1,931.45	2,317.74
All other parts of the Council's area	551.62	661.95	772.27	882.60	992.92	1,213.57	1,434.22	1,654.87	1,985.84

- Entitled to disabled relief

being the amounts given by multiplying the amounts at 2(g) and 2(h) above by the number which, in the proportion set out in Section 5(1) of the



Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands

- (3) That it be noted that for the year 2004/2005 the Sussex Police Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992,

Valuation Band (£)								
A *	A	B	C	D	E	F	G	H
58.40	70.08	81.76	93.44	105.12	128.48	151.84	175.20	210.24

for each of the categories of dwellings shown below:-

\* Entitled to disabled relief

- (4) That it be noted that for the year 2004/2005 the East Sussex Fire Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

Valuation Band (£)								
A *	A	B	C	D	E	F	G	H
35.44	42.53	49.62	56.71	63.80	77.98	92.16	106.33	127.60

\* Entitled to disabled relief

- (5) That having calculated the aggregate in each case of the amounts at 2(i), 3 and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts of council tax for the year 2004/2005 for each of the categories of dwellings

Valuation Band	A*	A	B	C	D	E	F	G	H
Parts of the Council's area	£	£	£	£	£	£	£	£	£
Rottingdean Parish	654.05	784.86	915.67	1,046.48	1,177.29	1,438.91	1,700.53	1,962.15	2,354.58
Hanover Crescent	720.71	864.86	1,009.00	1,153.15	1,297.29	1,585.58	1,873.87	2,162.15	2,594.58
Marine Square	716.97	860.37	1,003.77	1,147.16	1,290.56	1,577.35	1,864.15	2,150.93	2,581.12
Royal Crescent	737.66	885.19	1,032.72	1,180.26	1,327.79	1,622.86	1,917.92	2,212.98	2,655.58
All other parts of the Council's area	645.46	774.56	903.65	1,032.75	1,161.84	1,420.03	1,678.22	1,936.40	2,323.68

shown below:-

\* Entitled to disabled relief

## (b) CAPITAL RESOURCES AND CAPITAL INVESTMENT PROGRAMME FOR 2004/05

**RESOLVED:** (1) That the level of available capital resources and the projected capital programme for the next 3 years, as set out in Appendix 2 of the report, be noted.

(2) That the Capital Investment Programme for 2004/05 totalling £50.86m, as set out in Appendix 5 of the report, be approved.

(3) That £2.5m resources be allocated to the Strategic Investment Fund; £0.5m to the Property Improvement Fund and £0.5m to the ICT fund.

(4) That the allocation of Strategic Investment Fund resources to:

(a) support major projects of £540,000

(b) support capital planned maintenance works previously funded by revenue contribution of £500,000

be approved.

(5) That, subject to a value for money appraisal, the potential use of prudential borrowing for funding of vehicles, plant and equipment purchases, as set out in Paragraphs 3.16 - 3.18, of the report, be approved.

**(c) HOUSING REVENUE ACCOUNT (HRA) BUDGET 2004/05**

**RESOLVED:** (1) That individual rent increases and decreases in line with rent restructuring principles as determined by the Government be agreed.

(2) That the changes to fees and charges, as detailed in paragraph 6.7 of the report, be agreed.

(3) That the budget, as set out in Appendix 1 of the report, be agreed.

(4) That the Director of Housing & City Support be granted delegated authority to implement the new rents, fees and charges, but with power to make any minor amendments which may appear to be appropriate in particular cases; and

(5) That the Director of Housing & City Support be granted delegated authority to prepare and place on deposit the statement of proposals, estimates and other particulars as required by Section 76 of the Local Government and Housing Act 1989.

The meeting concluded at 8.15pm

**COUNCIL**

**26 FEBRUARY 2004**

Signed

Mayor

Dated this

day of

2004