



**Brighton & Hove
City Council**

BUDGET COUNCIL ADDENDUM

4.30PM, THURSDAY, 25 FEBRUARY 2016

**SUSSEX COUNTY CRICKET GROUND,
EATON ROAD, HOVE**

ADDENDUM

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86	ADOPTION OF SPECIAL PROCEDURES FOR BUDGET COUNCIL	1 - 6
	Budget procedural note and order of events diagram (copies attached).	
87	GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2016/17	7 - 12
	Conservative Group amendments No's. 1 – 5 (copies attached).	
90	HOUSING REVENUE ACCOUNT BUDGET AND INVESTMENT PROGRAMME 2016/17 AND MEDIUM TERM FINANCIAL STRATEGY	13 - 14
	Conservative Group amendment No. 6 (copy attached).	

Note:

A Guidance Note on Setting a Lawful Budget has been included with the agenda papers (pages 483 – 493) and the procedural note will be moved by the Mayor at the meeting for approval.

25 February 2016

Brighton & Hove City Council

Setting a Lawful Budget for 2016/17**Introduction**

Under section 30 (6) of the Local Government Act 1992 the Council has a duty to set the Council tax by **11 March 2016**. A failure to set the tax then does not in itself invalidate the tax demands but it has other adverse consequences including the potential loss of income to the Council. In practical terms this means the Council needs to reach a final position to meet billing deadline requirements before the 4th March 2016.

The legal obligations for setting the budget mean in practical terms that:

- Members should not put forward proposals that would mean setting an unlawful budget and need to take officer advice in particular from legal and finance to ensure that their proposals are in order;
- Although the Council corporately sets the budget the Council acts through Members collectively, each and every Member is therefore jointly and severally responsible for the setting of the budget; and
- Wherever possible Members are expected to facilitate rather than frustrate the setting of a lawful budget.
- The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 impose an obligation on the Council to amend standing orders to require the vote of Members on the budget to be recorded. The votes on the amendments and the substantive budget will be conducted by electronic voting and the individual Members' votes will be recorded in the minutes.

Budget Council 25 February 2016

To help Members at Council on 25 February 2016 the procedure to be followed in respect of the Budget debate, (subject to Council approval) is set out below:-

84. Declarations of Interest.**85. Mayor's communications:****86. Adoption of Special Procedures for Budget Council**

The Council will be asked to agree that Council Procedural Rules be suspended in accordance with council procedural rule 1.7 to the extent that it is necessary to enable the business of the meeting to be dealt with as set out in agenda items 87 - 90 below.

87. General Fund Revenue Budget & Council Tax 2016/17**88. Supplementary Financial Information for Budget Council****89. Capital Resources & Capital Investment Report 2016/17****90. Housing Revenue Account (HRA) Budget and Investment Programme 2016/17 and Medium Term Financial Strategy**

A. The Administration's Budget Proposal based on a Council Tax Increase of 3.99% (including Adult Social Care Precept):

The **Mayor** will invite Councillor Morgan and Councillor Hamilton to move and second the Administration's Budget based on a 1.99% Council Tax increase and a 2% precept for Adult Social Care.

Councillor Morgan will have unlimited time and Councillor Hamilton will have 5 minutes within which to move and second the budget proposals and to refer to the prevailing financial conditions in relation to the budget.

B. The Conservative Group's Response and Amendments 1 - 6:

The **Mayor** will invite Councillor Wealls, and Councillor Geoffrey Theobald to respond and move the six amendments on behalf of the Conservative Group.

Councillor Wealls will have unlimited time to move the amendments and Councillor Theobald will have 5 minutes within which to second the amendments and to refer to the prevailing financial conditions in relation to the budget.

C. The Green Group's Response:

The **Mayor** will invite Councillor Mac Cafferty to respond to the Budget proposals and amendments on behalf of the Green Group.

Councillor Mac Cafferty will have unlimited time within which to respond and refer to the prevailing financial conditions in relation to the budget.

Note:

The S151/Chief Finance Officer / Monitoring Officer shall have discretion at any stage to remind Members of the proposed substantive budget motion and its implications following acceptance of any amendments.

D. Council Debate:

The **Mayor** will then allow Councillors to debate the 2016/17 Budget proposals for the General Fund Revenue Budget, (including the Supplementary Financial Information), Capital Resources and Capital Investment Report and the Housing Revenue Account Revenue Budget, (items 87 - 90), together with any amendments moved in one debate.

NOTE: Speakers are limited to three minutes each unless otherwise specified or extensions granted.

E. Administration's Right of Reply:

At the conclusion of the debate the **Mayor** will invite Councillor Hamilton to use his final right of reply and he will have up to 5 minutes in which to respond.

Following this,

- (i) The Mayor will request that the voting system is activated and will then invite Members to vote on each amendment and the final budget provisions.
- (ii) There will be a slight delay between each vote to enable the results of the previous item to be recorded into the system for the minutes once they have been shown on the screen.

F. Voting on the amendments:

The Mayor will then put the amendments to the vote (up to a maximum of 6 separate votes) in the following order:

- (i) The Conservative Group's amendments (total of 6);

Following the conclusion of the voting on the amendments The S151/Chief Finance Officer will confirm how the amendments affect the council tax proposal.

During the voting on the amendments, if an amendment needs to be changed, then there may need to be a short adjournment whilst further clarification is prepared by officer for Members.

Note:

After the conclusion of all of the votes on amendments, there may be a need for a short adjournment to allow for the preparation of the council tax resolution to reflect the budget proposals as amended, if amended to be printed and circulated prior to the substantive vote.

G. Substantive Votes:

The **Mayor** will put the three substantive motions (as amended) (if amended) relating to the General Fund Revenue Budget and Council Tax 2016/17, Capital Resources and Capital Investment Report 2016/17 and Housing Revenue Account Budget 2016/17 to the vote as follows:

Substantive vote 1:

Item 87 General Fund Revenue Budget & Council Tax 2016/17); recommendations (1 - 7); as detailed in the extract from the Policy & Resources Committee;

together with;

Item 88 Supplementary Financial Information for Budget Council recommendation (1) and the council tax resolution on pages 421–423 of the agenda or as circulated;

The S151/Chief Finance Officer / Monitoring Officer may advise the Mayor of the need for a short adjournment, in order to adjust the budget model in light of any amendments just agreed. The Budget resolutions shall not be treated as concluded until any consequential adjustments are agreed.

Substantive vote 2:

Item 89 Capital Resources and Capital Investment Report 2016/17 recommendations (1 - 6) as detailed in the extract from the Policy & Resources Committee;

Substantive vote 3:

Item 90 Housing Revenue Account Budget and Investment Programme 2016/17 and Medium Term Financial Strategy recommendations (1) - (2) as detailed in the extract from the Policy & Resources Committee.

H. Close of meeting:

The Mayor will then close the meeting.

Note: The Mayor may adjourn the meeting at any time.

Abraham Ghebre-Ghiorghis
Head of Law
(Monitoring Officer)

Nigel Manvell
Acting Director of Finance &
Resources
(S151/ Chief Finance Officer)

Order of Events at Budget Council 2016

1

- Introduction from the Mayor
- Approval of Procedure for the meeting

2

- Administration's Budget - Proposer (unlimited time) and Seconder (5 minutes);
- Conservative Group's amendments - Proposer (unlimited time) and Seconder (5 minutes);
- Green Group's response to the proposed Budget and amendments (unlimited time).

3

- Full Council Debate (3 minutes per speaker)

4

- Administration's Right of Reply (5 minutes)

5

- Recorded Vote on each of the 6 amendments

Short Adjournment prior to Vote on Substantive Budget Proposals

6

- Recorded Vote on substantive General Fund Revenue Budget and Council tax of 3.99% (as amended/if amended)
- If carried move to 7
- *If the budget is not approved, the Mayor will call a short adjournment.*

Following approval of the General Fund Revenue Budget and Council Tax, Items 89 and 90 will be put to the vote by the Mayor

7

- Recorded Vote on Capital Resources and Capital Investment Report 2016/17

8

- Recorded Vote on Housing Revenue Account Budget 2016/17

**GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2016/17
AMENDMENTS****Conservative Group Amendment 1**

It is proposed that the following additional savings are made in the General Fund revenue budget for 2016/17:

- Additional saving of £0.151m from senior management and related support through the review of the top four tiers of management. This is in addition to the savings related to Management Spans & Accountability already included in the Four Year Service & Financial Plans.

The additional £0.151m recurrent resources generated will be used to:

- Reduce the savings proposal of £0.313m in respect of increased on-street parking income on page 139 by £0.031m in order to retain the price of business and trader parking permits at 2015/16 levels.
- Reinstate funding of £0.060m for public conveniences to reduce the impact of deferred saving from 2015/16.
- Provide £0.040m additional recurrent resources for verge cutting across the city, equivalent to one additional cut per year.
- Provide £0.020m additional recurrent resources for gully cleansing to improve the council's ability to respond to localised emergencies and floods.

The alternative savings proposals set out above require £0.037m revenue reserves to manage the part-year implementation in 2016/17. It is proposed to reduce the contribution to the Restructure & Redundancy Reserve for 2016/17 by £0.037m and this contribution will be reinstated as a first call on any reserves created by any reduction in the projected overspend for 2015/16 between now and the year-end.

Chief Finance Officer comments:

Senior Management at the top tiers of an organisation provide much of the knowledge, skills and capacity to support and deliver change and modernisation at both corporate and service levels. The scale of proposed overall management savings (MSA) is already significant (£1.954m) in 2016/17 and there is a need to ensure that statutory roles continue to be appropriately provided for. This additional saving may therefore impact on organisational change capacity and increase the risk of service redesign and/or savings programmes being delayed.

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2016/17 AMENDMENTS

Conservative Group Amendment 2

It is proposed to release £0.095m of the recurrent resources identified in paragraph 3.6 of the supplementary Report (page 408) and replace with one-off funding of £0.095m. This amendment does not change any of the allocations included in paragraph 3.6 of the Supplementary Report.

It is proposed that the following additional savings are made in the General Fund revenue budget for 2016/17:

- Additional saving of £0.019m from senior management and related support through the review of the top four tiers of management. This is in addition to the savings related to Management Spans & Accountability already included in the Four Year Service & Financial Plans.

To utilise the additional £0.114m recurrent resources generated to:

- Remove the savings proposal of £0.086m in respect of Residential, Respite and Short Breaks on page 96.
- Reduce the savings proposal of £0.144m in respect of Housing Support services on page 121 by £0.028m in order to protect against increasing homelessness.

The alternative savings proposals set out above require £0.100m revenue reserves to manage the part-year implementation in 2016/17. It is proposed to reduce the contribution to the Restructure & Redundancy Reserve for 2016/17 by £0.100m and this contribution will be reinstated as a first call on any reserves created by any reduction in the projected overspend for 2015/16 between now and the year-end.

Chief Finance Officer comments:

The use of £0.095m additional resources identified in the Supplementary budget report on a recurrent rather than one-off basis will add to the budget gap in 2017/18 compared with the substantive budget proposals.

The recommended level of resources for the Restructure & Redundancy Reserve, which is needed to support service redesigns and the estimated staffing impacts (i.e. severance costs) in 2016/17, is £2.500m. Although this is a best and prudent estimate, reducing this reserve increases the risk that the authority may have to call on other reserves in-year and/or could add to already substantial demands for one-off monies in future years.

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2016/17 AMENDMENTS

Conservative Group Amendment 3

It is proposed that the following additional savings are made in the General Fund revenue budget for 2016/17:

- Further savings of £0.020m across the Travellers budgets through improved management of the Horsdean site and increased income once the site is fully operational.
- Further savings of £0.030m across Housing Services through deletion of a vacant administrative post.

To utilise the additional £0.050m resources generated to:

- Remove the savings proposal of £0.050m in respect of Environmental Protection on page 187 in order to reinstate the Noise patrol service.

Chief Finance Officer comments:

Increasing the income target on the Horsdean site is potentially achievable but does increase the risk of under-achievement of income targets, particularly as there is a known risk around the final operational start date of this facility which will be part-way through 2016/17.

The alternative saving on Housing Services can be accommodated but may reduce flexibility for service redesign in this area in future.

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2016/17 AMENDMENTS

Conservative Group Amendment 4

It is proposed that the following additional ongoing saving is made in the General Fund revenue budget for 2016/17:

- Reduce the budget for Trade Union facility time by £0.078m.

To utilise the additional £0.078m resources generated to:

- Remove the savings proposal of £0.054m relating to mental health preventive contracts on page 83.
- Remove the savings proposal of £0.024m relating to Hop 50+ (previously St John's Day Services) on page 82.

The alternative savings proposal set out above requires £0.033m revenue reserves to manage the part-year implementation in 2016/17. It is proposed to reduce the contribution to the Restructure & Redundancy Reserve for 2016/17 by £0.033m and this contribution will be reinstated as a first call on any reserves created by any reduction in the projected overspend for 2015/16 between now and the year-end.

Chief Finance Officer comments:

A reduction of TU facility time at this level would have a consequential impact on representation for employees, as the model that has evolved in the authority is that most formal representation is conducted via those on designated facilities release. This means there could be delays in obtaining representation where there is a formal right to such and this would mean delays in resolving issues and is likely to negatively impact on industrial relations. It should also be noted that there is work ongoing to change the levels of release and place more emphasis on local workplace representatives and therefore reduce the overall corporate facilities release which is intended to be implemented during 2016/17. However, it is not yet clear what the cost/saving implications of this will be.

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2016/17 AMENDMENTS

Conservative Group Amendment 5

It is proposed that the following additional ongoing saving is made in the General Fund revenue budget for 2016/17:

- Reduce the budget for Trade Union facility time by a further £0.065m. This reduction in conjunction with Amendment 4 will leave sufficient resources to provide for a minimum of 2 full time officials plus the schools funded post.

To utilise the additional £0.065m resources generated to:

- Reduce the savings proposal of £0.313m in respect of increased on-street parking income on page 139 by £0.032m in order to retain the price of visitor parking permits at 2015/16 levels.
- Additional gully cleansing £0.033m. These additional resources in conjunction with those identified in Amendment 1 will enable a planned schedule of soakaway cleansing to protect against flooding.

The alternative savings proposal set out above requires £0.027m revenue reserves to manage the part-year implementation in 2016/17. It is proposed to reduce the contribution to the Restructure & Redundancy Reserve for 2016/17 by £0.027m and this contribution will be reinstated as a first call on any reserves created by any reduction in the projected overspend for 2015/16 between now and the year-end.

Chief Finance Officer comments:

A reduction of TU facility time at this level would have a consequential impact on representation for employees, as the model that has evolved in the authority is that most formal representation is conducted via those on designated facilities release. This means there could be delays in obtaining representation where there is a formal right to such and this would mean delays in resolving issues and is likely to negatively impact on industrial relations. It should also be noted that there is work ongoing to change the levels of release and place more emphasis on local workplace representatives and therefore reduce the overall corporate facilities release which is intended to be implemented during 2016/17. However, it is not clear yet what the cost/saving implications of this will be.

**HOUSING REVENUE ACCOUNT REPORT 2016/17
AMENDMENT****Conservative Group Amendment 6**

It is proposed that the following additional ongoing saving is made in the Housing Revenue Account budget for 2016/17:

- Make further efficiencies of £0.075m across Housing Management by bringing forward service wide reviews and reducing reliance on agency staff.
- Reduce the increase in direct revenue funding of the HRA capital programme by £0.070m.

To utilise the additional £0.145m resources generated to:

- Remove the savings proposal of £0.145m in respect of HRA contribution to the community grants programme in order to support third sector organisations as the community grants programme moves to the new commissioning model.

Chief Finance Officer comments:

These savings may impact on capacity to deliver services and/or undertake capital programme works. However, in the context of the scale of the HRA budget and service, this is unlikely to present unacceptably high levels of risk.

