



**Brighton & Hove
City Council**

BUDGET COUNCIL ADDENDUM

4.30PM, THURSDAY, 25 FEBRUARY 2021

VIRTUAL

ADDENDUM

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Procedural Information

NOTE:

- (i) An updated order of events diagram has also been included with the addendum papers for information.

25 February 2021

Brighton & Hove City Council

Procedural Note for Items 112 - 114:

Setting a Lawful Budget for 2021/22

Introduction

Under section 30 (6) of the Local Government Act 1992 the Council has a duty to set the Council tax before the 11 March each year. A failure to set the tax by 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 **5 March 2021**.

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 votes will be reflected in the minutes.

Please also note that the formal Council Tax resolution will incorporate the following recommendations:

That Council notes:

- 1) That for the avoidance of doubt, all Amendments considered and approved by the council represent resourcing decisions only. Where possible, the necessary lead-in time to undertake statutory and/or other appropriate consultation with staff and/or service users, together with appropriate one-off resources, has been identified in support of each Amendment, however, even where this has not been possible this does not absolve the council from undertaking statutory or other appropriate consultation before proposals can be implemented.
- 2) The Equalities Impact Assessments to cover all budget options and their cumulative effect as set out in Appendices 6 and 7;

Budget Council 25 February 2021:

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

109. Declarations of Interest.

110. Mayor's urgent communications:

111. Adoption of Special Procedures

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 112 - 114 below.

112. General Fund Revenue Budget, Capital & Treasury Management Strategy 2021/22

113. Supplementary Financial Information for Budget Council

114. Housing Revenue Account (HRA) Budget and Capital Investment Programme 2021/22, and Medium-Term Financial Strategy

A. The Administration's Budget Proposal based on a 4.99% Council Tax Increase incorporating a 3% Adult Social Care Precept:

- (i)** The **Mayor** will invite **Councillor Druitt** and **Councillor Mac Cafferty** to move and second the Administration's Budget based on a 4.99% Council Tax increase incorporating a 3% precept for Adult Social Care.

Councillor Druitt will have unlimited time and Councillor Mac Cafferty will have 5 minutes within which to move and second the budget proposals, along with an amendment from the Green Group and to refer to the prevailing financial conditions in relation to the budget.

B. The Labour Group's Response and Amendments (Max 6):

- (ii)** The **Mayor** will invite **Councillor Yates** and **Councillor Platts** to move and second the Labour Group's amendments to the budget proposals.

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

[The S151 Chief Financial 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.]

C. The Conservative Group's Response and Amendments (Max 6):

- (iii) The **Mayor** will invite **Councillor Miller**, and **Councillor Bell** to move and second the Conservative Group's amendments to the budget proposals.

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

[The S151 Chief Financial 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:

- (iv) The **Mayor** will then allow Councillors to debate the 2021/22 Budget proposals for the General Fund Revenue Budget, Capital & Treasury Management Strategy 2021/22, based on a Council Tax increase of 4.99%, Supplementary Financial Information and the Housing Revenue Account Budget & Capital Investment Programme 2021/22, and Medium-Term Financial Strategy (items 112 - 114), and the amendments (as detailed in the addendum papers).

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

[The S151 Chief Financial 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.]

E. The Administration's Right of Reply:

- (v) At the conclusion of the debate the **Mayor** will invite Councillor Gibson to give a final right of reply on behalf of the Administration and he will have up to 5 minutes in which to respond.

Following this,

- (i) The Mayor will ask the Head of Democratic Services to undertake a recorded vote of the amendments and the substantive budget as amended, if amended. At the discretion of the Mayor, a Group-based vote may be adopted providing it is clear how each Member voted, and the vote is recorded in the minutes.
- (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.

F. Voting on the amendments:

- (vi) The Mayor will then put the amendments to the vote (up to a maximum of 6 separate votes for Groups) in the following order:
- (i) The Conservative Group's amendments (6)
 - (ii) The Labour Group's amendments (3);
 - (iii) The Green Group's amendment (1).

Following the conclusion of the voting on the amendments The S151 Chief Financial Officer will confirm how the individual amendments that have been carried affect the council tax proposal as necessary.

There may be a need for a short adjournment to allow for the preparation of the council tax resolutions to reflect the budget proposals as amended / if amended to be circulated prior to the substantive vote.

G. Substantive Votes:

- (vii) The **Mayor** will put the substantive motions (as amended) (if amended) relating to the General Fund Revenue Budget, Capital & Treasury Management Strategy 2021/22 and Supplementary Financial Information to the vote as follows:

1. **Budget based on a 4.99% Council Tax increase, including a 3% Adult Social Care Precept**

- 1.1 *The S151 Chief Financial Officer will clarify the amendments that have been agreed and how they affect the budget proposal which will then be put to the vote.*
- 1.2 **Item 112** General Fund Revenue Budget, Capital & Treasury Management Strategy 2021/22, based on a council tax increase of 4.99% (incorporating a 3% Adult Social Care Precept); recommendations (1) to (7); as detailed in the extract from the Policy & Resources Committee;
together with;
- Item 113** Supplementary Financial Information for Budget Council recommendation (2.1); and the council tax resolution on pages 21 - 28 of the addendum;

Note: *Should the budget and Council Tax increase of 4.99% be approved, then the Mayor will move to Item 114 on the agenda.*

- 1.3 If the vote on the Budget is carried, the Mayor will then put the Housing Revenue Account Budget & Capital Investment Programme 2021/22 and Medium-Term Financial Strategy to the vote as detailed in (2) below.

- 1.4 If the vote on the budget is lost, then the S151 Chief Financial Officer and/or the Monitoring Officer will outline the Council's position and consult the Mayor.

Note: There may then be a need for an adjournment.

Followed by:

- (viii) The **Mayor** will put the substantive motions (as amended) (if amended) relating to the Housing Revenue Account Budget & Capital Investment Programme 2021/22 and the Medium-Term Financial Strategy to the vote as follows:

2. **Housing Revenue Account Budget & Capital Investment Programme 2021/22 and Medium-Term Financial Strategy**

- 2.1. *The S151 Chief Financial Officer will clarify the position should an amendment have been agreed and how it affects the budget proposal which will then be put to the vote.*
- 2.2. **Item 114** Housing Revenue Account Budget & Capital Investment Programme 2021/22 and Medium-Term Financial Strategy recommendation (1) as detailed in the extract from the Policy & Resources Committee and appendix 1 to the report.

H. **Close of Meeting:**

- (ix) The Mayor will then close the meeting.

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

Abraham Ghebre-Ghiorghis,
Monitoring Officer,
Executive Lead Officer for Strategy,
Governance & Law

Nigel Manvell,
S151 Chief Financial Officer
(Acting Chief Finance Officer)

Additional guidance note regarding voting on amendments:

1. Additional guidance below outlines any interdependency between any Group's amendments.

There are interdependencies with Green Group Amendment 1, Labour Group Amendment 3 and Conservative Group Amendment 5 as follows:

If Conservative Group Amendment 5 is agreed, but subsequently Labour Group Amendment 3 is agreed, Conservative amendment 5 would fall as resources in Conservative Group Amendment 5 will have been reallocated.

If Labour Group Amendment 3 is agreed but subsequently Green Group Amendment 1 is agreed, Labour amendment 3 would fall as part of the resources in Labour Group Amendment 3 would have been reallocated by the later amendment.

If Conservative Group Amendment 5 is agreed, Labour Group Amendment 3 is not agreed, and Green Amendment 1 is agreed, then Conservative Group Amendment 5 would fall as part of the resources in Conservative Group Amendment 5 would have been reallocated by the later amendment.

Note, votes on amendments are not legally binding of themselves until the substantive budget, as amended, if amended, is voted on. Therefore, until this point of the procedure, the creation of alternative joint/composite amendments, to the extent that they are utilising or repackaging resources already identified, is still possible.

The S151 Chief Financial 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.

Abraham Ghebre-Ghiorghis,
Monitoring Officer,
Executive Lead Officer:
Strategy, Governance & Law

Nigel Manvell,
S151 Chief Financial Officer
(Acting Chief Finance Officer)

**GENERAL FUND REVENUE BUDGET, CAPITAL
& TREASURY MANAGEMENT STRATEGY 2021/22****BUDGET AMENDMENTS****Green Group Amendment 1**

To redirect the £0.050m recurrent 'Support to Victims of Domestic Violence' provision in the Corporate Plan Investment Table 2 shown on page 33 as follows:

To support the recovery, wellbeing and resilience of early years children, young people and their mothers affected by domestic abuse in the city; the funding to be allocated as a grant through the council's Third Sector Investment programme.

Further, to increase this grant by an additional £0.030m in the first year, taking the total to £0.080m in 2021/22 to recognise the impact of the pandemic on women and children, and enhance community resilience. This funding to be provided by redirecting £0.015m one-off resources from the Community Wealth Building £0.100m (reducing this to £0.085m) and redirecting £0.015m one-off resources from the Environmental Education Strategy £0.150m (reducing this to £0.135m), both of which are in the Corporate Plan Investment Table 2 shown on page 33.

Chief Finance Officer Comments:

This amendment creates additional funding of £0.080m in 2021/22 and £0.050m thereafter utilising one-off and recurrent resources already identified in the substantive budget proposals and is therefore financially viable.

The allocation of the grant through the Third Sector Investment Programme will need to adhere to the framework and governance of the programme.

GENERAL FUND REVENUE BUDGET, CAPITAL & TREASURY MANAGEMENT STRATEGY 2021/22

BUDGET AMENDMENT

Labour Group Amendment 1

To increase the multiple permit surcharge for residents parking permits to £100 for a second vehicle and £200 for third and subsequent vehicles generating increased parking income of £0.226m.

It is proposed to utilise the additional £0.226m resources to remove the inflationary increases in residents parking permits in all controlled parking zones except for the high demand surcharge in zones Y and Z.

The proposed amended permit charges are as follows: -

Residents Permits	Emmission	Annual			6 Month			3 Month		
		1st	2nd	3rd +	1st	2nd	3rd +	1st	2nd	3rd +
Full Scheme	Low	£82.50	£182.50	£282.50				£22.50	£47.50	£72.50
	Standard	£165.00	£265.00	£365.00				£45.00	£70.00	£95.00
	High	£247.50	£347.50	£447.50				£67.50	£92.50	£117.50
Full Scheme - High demand zones	Low	£97.50	£197.50	£297.50				£26.50	£51.50	£76.50
	Standard	£195.00	£295.00	£395.00				£53.00	£78.00	£103.00
	High	£292.50	£392.50	£492.50				£79.50	£104.50	£129.50
Light Touch	Low	£55.00	£155.00	£255.00	£30.00	£80.00	£130.00			
	Standard	£110.00	£210.00	£310.00	£60.00	£110.00	£160.00			
	High	£165.00	£265.00	£365.00	£90.00	£140.00	£190.00			

Chief Finance Officer Comments:

The proposed amendment effectively results in no overall change to the parking surplus by adjusting permit charges as shown and therefore there are no implications in relation to Section 55 of the Road Traffic Regulation Act 1984 which governs the use of parking surpluses as defined under the Act.

**GENERAL FUND REVENUE BUDGET, CAPITAL
& TREASURY MANAGEMENT STRATEGY 2021/22****BUDGET AMENDMENT****Labour Group Amendment 2**

To reduce the £0.100m recurrent funding allocation for Clean-ups/Graffiti Removal (response within 24 hours – pilot for central wards) & Crime Reduction Initiatives included in the Corporate Plan Investment Table 2 shown on page 33 by £0.056m to £0.044m.

It is proposed to allocate the recurrent funding released of £0.056m to:

- Establishing a Community Drug Impact Co-ordinator role to address the impact of drug sales, drug use and cuckooing on our communities.

Chief Finance Officer Comments:

The proposed amendment redirects recurrent resources already identified in the 2021/22 substantive budget proposals to an alternative use and is therefore financially viable.

**GENERAL FUND REVENUE BUDGET, CAPITAL
& TREASURY MANAGEMENT STRATEGY 2021/22****BUDGET AMENDMENT****Labour Group Amendment 3**

It is proposed to: -

- Remove the one-off allocation of £0.150m for investment in an Environmental Education Strategy for the City included in the Corporate Plan Investment Table 2 on page 33 of the agenda;
- Remove the one off allocation of £0.100m for investment in Community Wealth Building to promote ethical employment practices and ensure the use of the City's public sector spending power to procure goods and services locally for the benefit of our communities as included in the Corporate Plan Investment Table 2 shown on page 33 of the agenda;
- Remove the one-off allocation of £1.000m for a Climate Reduction Reserve included in Table 4 on page 39.

This releases £1.250m one-off resources set aside within the substantive budget proposals, which it is proposed to redirect as follows:

- £0.055m of one-off funding to establish a stalled sites delivery post to unlock the delivery of stalled housing sites with planning permission. Ongoing costs to be met through the delivery of additional units of housing within the city which increases the council tax base in future years therefore creating recurrent resources for this post;
- £0.010m one-off allocation to evaluate the creation of a city wide 'Carbon Partner' card incentive scheme to encourage residents to move to lower carbon living through Council and private sector support;
- £0.020m one-off allocation to fund a project to work alongside our city's bus services to innovate our communities bus services for the benefit of all users currently and in the future;
- £0.005m one-off allocation to establish a city-wide Community Drug summit to address the impact of drug sales, drug use and cuckooing on our communities;
- £0.060m one-off funding to establish a post-Covid Family Coaches project within the city Children's Centres to provide early intervention with families with babies and young children recovering from the impacts of Covid and other forms of disadvantage, to support future attainment;

- £0.275m funding to remove, for a period of 11 years, the £0.025m savings proposals in the Schools Standards and Achievements service as shown on page 85 of the agenda to support post Covid recovery and attainment in schools;
- £0.704m funding to remove, for a period of 11 years, the savings of £0.016m and £0.048m within the Environmental Health and Licencing service within the Safer Communities service area as shown on page 131 of the agenda;
- £0.101m Direct Revenue Funding for the delivery of capital infrastructure to support the development of additional beach huts and chalets subject to an approved business case;
- £0.020m Direct Revenue Funding for capital investment and ongoing maintenance for a gateway welcome around Portslade train station.

Chief Finance Officer Comments:

The proposed amendment redirects one-off funding of £1.250m, identified in the substantive budget proposals, to alternative revenue and capital uses over a period of years. Ultimately, it redirects sums of an equivalent value (£1.250m) and therefore is not introducing any new or additional funding requirements.

The proposed allocation of one-off resources over an extended period of time beyond the Medium-Term Financial Strategy (MTFS) is unusual but financially viable. There are some budgets managed by the council where the budgets change many years after the original budget decision due to unavoidable additions or costs falling out. This typically relates to the capital financing budget (e.g. where annual loan repayments fall out at the maturity of a long-term loan) and other corporately held budgets. These budgets are managed through specific processes, such as Treasury Management, and it is easy to track movements which are then reflected in the annual budget as 'Commitment' changes. However, this practice is not normally applied to service revenue budgets and there is no mechanism to automatically track changes beyond the Medium-Term Financial Strategy period (usually 4 years). This amendment will effectively create 11-year 'Commitments' which will need to fall out in 2032/33. While this can be financially supported, the practice of allocating and tracking one-off resources beyond the MTFS period is not straight forward and is not customary practice.

The proposed one-off allocation of £0.055m to bring forward stalled sites will require bringing forward the equivalent of 30 Band D properties each year to be self-sustaining in future years.

**GENERAL FUND REVENUE BUDGET, CAPITAL
& TREASURY MANAGEMENT STRATEGY 2021/22****BUDGET AMENDMENTS****Conservative Group Amendment 1**

To take advantage of the lower interest rates available to the council and utilise the £0.200m recurrent funding set aside to finance borrowing to support the Madeira Terrace in 2021/22, increasing the borrowing from £4.3m to £5.6m.

Capitalise the £0.074m recurrent funding for the Madeira Terrace Project Manager post included in the Corporate Plan Investment Table 2 on page 33 of the agenda, instead utilising the capital resources already identified for Madeira Terrace, and use the £0.074m recurrent funding to support a further £2.1m capital investment for the Madeira Terrace project.

The £0.100m Investment to provide a focused Race Education Strategy and delivery as shown in the Corporate Plan Investments Table 2 on page 33 is supported by a 5-year plan. It is proposed to redirect these recurrent resources after year 5 (2026/27) to provide recurrent financing costs to support £2.8m investment in Madeira Terraces from 2026/27.

Chief Finance Officer Comments:

The proposed amendment above is financially viable, either utilising or redirecting resources already identified in the substantive budget proposals.

The proposal to redirect resources from a focused Race Education Strategy & Delivery after 5 years is beyond the normal Medium-Term Financial Strategy time horizon. While this can be financially supported, the practice of allocating and tracking resources beyond the MTFS period is not straight forward and is not customary practice.

**GENERAL FUND REVENUE BUDGET, CAPITAL
& TREASURY MANAGEMENT STRATEGY 2021/22****BUDGET AMENDMENTS****Conservative Group Amendment 2**

Redirect the £0.200m recurrent funding to support the Sustainable Carbon Reduction Initiative Fund (SCRIF) and the £0.200m recurrent funding to support the expansion of the Warmer Homes Initiative as set out in the Corporate plan Investment Table 2 on page 33 of the agenda, and reallocate as follows: -

- £0.170m one-off allocation to the SCRIF;
- £0.170m one-off allocation to the Warmer Homes Initiative;
- Remove the £0.060m recurrent saving from the proposed high demand increase to residents permits as set out on page 113.

This leaves £0.340m recurrent funding from 2022/23 to be allocated as follows: -

- Increase recurrent resources for verge grass cutting and de-weeding by £0.020m;
- Provide £0.100m capital investment for the upgrade and refurbishment of seafront shelters. This will require £0.011m recurrent funding for the financing costs;
- Provide £0.500m capital investment to support the purchase of a disabled access carriage for the Volks Railway. This will require £0.030m recurrent funding for the financing costs;
- Provide £0.400m capital investment for seafront railings refurbishment or replacement. This will require £0.020m recurrent funding for the financing costs;
- Provide a further £1.650m capital resources to support the Saltdean Lido renovation. This will require £0.059m recurrent funding for the financing costs; and
- Provide a further £5.600m capital resources to fund future phases of the Madeira Terraces project incorporating the ambition to deliver a carbon neutral or low carbon refurbishment. This will require £0.200m recurrent funding for the financing costs.

Chief Finance Officer Comments:

The proposed amendment utilises £0.400m recurrent resources already identified in the 2021/22 substantive budget proposals and redirects £0.060m to permanent removal of a saving proposal and £0.340m to one-off capital investment in 2021/22, which is then further redirected to provide an annual financing budget to support borrowing for various capital investments from 2022/23 onward.

**GENERAL FUND REVENUE BUDGET, CAPITAL
& TREASURY MANAGEMENT STRATEGY 2021/22****BUDGET AMENDMENTS****Conservative Group Amendment 3**

It is proposed to replace £0.010m recurrent resources for union facilities time with £0.010m per annum from the Modernisation Fund over the next 2 years to allow time to develop more efficient operating practices as the council utilises more remote working.

It is proposed to allocate the £0.010m released through this proposal to reverse the saving from Adoption Allowances as shown on page 87 of the agenda, and therefore allow an inflationary increase.

Chief Finance Officer Comments:

Union Facility Time enables trade union representatives to support their members through employment processes as well as supporting joint initiatives such as evaluation of job roles. The demand for Union Facility Time is affected by a wide range of factors including the efficiency of processes. If the proposed efficiencies cannot be identified over the next 2 years this will create a budgetary pressure of £0.010m in 2023/24.

**GENERAL FUND REVENUE BUDGET, CAPITAL
& TREASURY MANAGEMENT STRATEGY 2021/22****BUDGET AMENDMENTS****Conservative Group Amendment 4**

To redirect the £0.050m one-off resources to support delivery of the council's Covid Recovery & Renewal Programme actions and the £0.020m recurrent provision for a Low traffic Neighbourhood pilot, which are included in the Corporate Plan Investment Table 2 on page 33 of the agenda, and reinvest in : -

- £0.030m one-off resource for a disabled access ramp to the beach;
- £0.010m one-off resource to support a feasibility study for new beach huts;
- £0.010m one-off resource to support anti-speeding measures, for example handheld speed cameras used by volunteers as part of speed watch;

- £0.110m capital investment for:
 - tree planting around phone masts;
 - replacement play equipment in Patcham parks;
 - resurfacing of Hangleton Park multipurpose play area; and
 - replacement of the zip wire at Saltdean Park.This will require £0.012m recurrent funding for financing costs; and

- £0.070m capital investment in road name sign replacements and additional pothole repair funding. This will require £0.008m recurrent funding for financing costs.

Chief Finance Officer Comments:

The proposed amendment redirects £0.050m one-off resources already identified in the substantive budget proposals to alternative one-off uses. It also redirects £0.020m recurrent resources already identified in the substantive budget proposals to provide a financing budget to support borrowing for various capital investments in 2021/22.

**GENERAL FUND REVENUE BUDGET, CAPITAL
& TREASURY MANAGEMENT STRATEGY 2021/22****HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL
INVESTMENT PROGRAMME 2021/22 AND
MEDIUM-TERM FINANCIAL STRATEGY****BUDGET AMENDMENTS****Conservative Group Amendment 5**

To redirect the £1.000m new Carbon Reduction Reserve shown in Table 4 on page 39 of the agenda, and the £0.150m one off resources for the Environmental Education Strategy as set out in the Corporate Plan Investment Table 2 on page 33 of the agenda. This releases £1.150m one off resources to be reinvested in : -

- Replacing the £0.124m recurrent funding for the Arts Sector Recovery Plan and future development of the sector included in the Corporate Plan Investment Table 2 on page 33 of the agenda, with funding over 3 years utilising £0.372m one off resources;
- Reducing the cost to schools for the Term Time Only back-pay of £1.430m (repaid over 10 years) by £0.778m to £0.652m, to be repaid over 10 years.

Reallocate the £0.124m recurrent funding released from the Arts Sector Recovery Plan and future development of the sector, and allocate as follows: -

- Remove the £0.045m saving from the proposed increase to Business Permits as shown on page 155 of the agenda;
- Remove the inflationary increase to the contribution from the HRA towards Youth Services of £0.005m;
- Remove the proposed £0.025m saving in Standards & Achievement within Education and Skills shown on page 85 of the agenda;
- Remove the £0.047m saving proposed from fee increases at the Brighton Centre as shown on page 117 of the agenda;
- Provide £0.013m capital investment in replacement bins (including dog waste bins) in open spaces including Hove Park, Hove Recreation ground, Greenleas Park and Knoll Park. This will require £0.002m recurrent funding to support financing costs.

Chief Finance Officer Comments:

The proposal utilises one-off resources identified in the 2021/22 substantive budget to reduce the schools' element of the Term Time Only back-pay liability and to replace recurrent, permanent provision for the Arts Sector Recovery with time limited, 3-year resource provision. The £0.124m recurrent resources released by this proposal can therefore be applied as proposed.

**GENERAL FUND REVENUE BUDGET, CAPITAL
& TREASURY MANAGEMENT STRATEGY 2021/22****BUDGET AMENDMENTS****Item 112****Conservative Group Amendment 6**

To provide £0.050m capital investment in 4 mobile cameras for the prevention of fly tipping. This will require £0.011m recurrent funding to support financing costs which will be met from the fine income these additional cameras generate.

Redirect the £0.020m one-off allocation for a Travellers Strategy included within the Corporate Plan Investments Table 2 shown on page 33 and reinvest in open space sports infrastructure such as tennis court nets and basketball hoops. The open spaces to include Hangleton and Hove seafront.

Chief Finance Officer Comments:

The investment in enforcement cameras will require fines of £0.011m per annum to be levied in order to be self-financing which is considered to be achievable. The second part of the amendment redirects one-off resources already identified in the substantive budget proposals.

Subject:	Supplementary Financial Information for Budget Council		
Date of Meeting:	25 February 2021		
Report of:	Acting Chief Finance Officer		
Contact Officer:	Name:	James Hengeveld	Tel: 29-1242
	E-mail:	James.Hengeveld@brighton-hove.gov.uk	
Wards Affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT:**

- 1.1 To update Members with further budget information and revisions since the General Fund Revenue Budget, Capital & Treasury Management Strategy 2021/22 report was considered at Policy & Resources Committee on the 11 February 2021.
- 1.2 The proposed budget is based on the Administration's proposed increase to the City Council's element of the council tax of 4.99% including a 3% Adult Social Care precept. Together with the Police and Fire elements of the council tax, the overall increase for most residents of Brighton and Hove will be 5.10%.

2. RECOMMENDATIONS:

- 2.1 That Council use the statutory budget calculation and the Council Tax Resolution set out in this report to derive a 4.99% council tax increase as the basis of debate at the meeting.

3. CONTEXT / BACKGROUND INFORMATION***2021/22 General Fund Budget & Council Tax***

- 3.1 The new and revised information likely to be covered in this report was set out in paragraph 11.3 of the 11 February 2020 Policy & Resources Committee report and will cover the following:-
 - The final Local Government Finance Settlement 2021/22;
 - Any other grants announced before Budget Council;
 - The agreed Council Tax set by the East Sussex Fire Authority & Sussex Police & Crime Commissioner;
 - The statutory Council Tax calculations required under the 1992 Local Government Finance Act; and
 - The full budget and Council Tax resolution for Budget Council.

Final Local Government Finance Settlement 2021/22

- 3.2 A written ministerial statement on the final Local Government Finance Settlement was made on the 4 February 2021. There were no changes to the resources announced in

the provisional settlement announced in December 2020 and therefore the assumptions and allocations used to underpin the General Fund Revenue Budget, Capital & Treasury Management Strategy 2021/22 report recommended by Policy & Resources Committee do not change.

Other Changes

- 3.3 Policy & Resources Committee on the 11 February 2021 agreed a joint amendment to the General Fund Revenue Budget, Capital & Treasury Management Strategy 2021/22.
- 3.4 This amendment increased the overall savings package from £10.644m to £10.739m and the £0.095m additional resources this provides have been reinvested in services and financing costs to support capital investment. This also amended the proposed capital programme for 2021/22 from £221.103m to £221.863m. In addition, the capital investment programme for 2022/23 increases by £0.400m as a result of the agreed amendment.
- 3.5 These changes do not affect the overall council tax requirement but have been reflected in the statutory council tax calculation and proposed full resolution included in Appendices 8 and 9.
- 3.6 The changes from the amendment will be reflected in an updated budget book that will be produced following the approved budget and council tax resolution agreed at Budget Council and will therefore replace appendix 1.

Council Tax

- 3.7 The following table shows the overall council tax proposed incorporating the amounts set by the Sussex Police & Crime Commissioner and the East Sussex Fire Authority.

TABLE 8: Council Tax			
	2021/22 Band D Council Tax	Change on 2020/21	Percentage change
Brighton & Hove City Council	£1,741.88	£82.77	4.99%
Sussex Police & Crime Commissioner	£214.91	£15.00	7.50%
East Sussex Fire Authority	£97.43	£1.90	1.99%
Total for Brighton & Hove residents	£2,054.22	£99.67	5.10%

Budget and Council Tax Appendices

- 3.8 Details of the additional council taxes paid by residents of Rottingdean Parish and Enclosure Committees for the maintenance of gardens in Hanover Crescent, Marine Square and Royal Crescent are given in Appendix 9.
- 3.9 The list of new budget and council tax appendices attached to this report is included under Supporting Documentation below.

SUPPORTING DOCUMENTATION

Appendices:

8. The statutory calculations required under the 1992 Local Government Act.

9. Proposed full resolution for Budget Council.

Documents in Members' Rooms

No further documents.

Background Documents

No further background documents.

APPENDIX 8

CALCULATION OF BRIGHTON & HOVE'S COUNCIL TAX REQUIREMENT AND COUNCIL TAX 2021/22

CALCULATIONS REQUIRED UNDER THE LOCAL GOVERNMENT FINANCE ACT 1992

S31A Expenditure	£	£
Gross Revenue expenditure on Brighton & Hove services	762,736,820	
Transfer from business rates collection fund	35,080,412	
Transfer to council tax collection fund	1,970,236	
Contingency	1,385,000	
Levies	186,351	
Special items	28,084	
Parish precept	51,024	
		801,437,927
Income		
Government Grants, fees and charges	544,242,714	
Business Rates Local Share	59,277,189	
Contribution from reserves	41,953,000	
		645,472,903
Council Tax Requirement (R)		155,965,024

S31B	R = Council Tax Requirement	155,965,024
	T = Taxbase	89,493.0
	R/T = Basic Council Tax	1,742.76

S34	(i) S34 (2)	
	B = Section 31B Calculation	1,742.76
	A = Total of Special Items (as defined in S35)	79,108
	T = Taxbase	89,493.0
	B - (A / T) = Council Tax for areas with no special items	1,741.88
	(ii) S34 (3)	
	C = Section 34 (2) calculation	1,741.88
	S =	
	Rottingdean Parish special item	51,024
	Hanover Crescent Enclosure Committee special item	8,357
	Marine Square Enclosure Committee special item	11,647
	Royal Crescent Enclosure Committee special item	8,080
	TP =	
	Rottingdean Parish taxbase	1,576.7
	Hanover Crescent Enclosure Committee taxbase	39.5
	Marine Square Enclosure Committee taxbase	70.7
	Royal Crescent Enclosure Committee taxbase	31.0
	C + (S / TP) = Council Tax for areas with special items:-	
	Rottingdean Parish	1,774.24
	Hanover Crescent Enclosure Committee	1,953.45
	Marine Square Enclosure Committee	1,906.62
	Royal Crescent Enclosure Committee	2,002.53

General Fund Revenue Budget 2021/22

Formal Council Tax Resolution

1. It be noted that on 21 January 2021 the Council calculated the Council Tax Base 2021/22:
 - (a) for the whole Council area as 89,493.0 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)); and
 - (b) for dwellings in those parts of its area to which special items relate: -
 - Rottingdean Parish – 1,576.7
 - Hanover Crescent Enclosure – 39.5
 - Marine Square Enclosure – 70.7
 - Royal Crescent Enclosure – 31.0
2. Calculate that the Council Tax requirement for the Council’s own purposes for 2021/22 (excluding Parish precepts) is £155,914,000.
3. That the following amounts be calculated for the year 2021/22 in accordance with Sections 31 to 36 of the Act:
 - (a) £801,437,927 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils;
 - (b) £645,472,903 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
 - (c) £155,965,024 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act);
 - (d) £1,742.76 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts);
 - (e) £79,108 being the aggregate amount of all special items referred to in Section 34(1) of the Act;
 - (f) £1,741.88 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by the Item T (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;
 - (g) £1,774.24 Rottingdean Parish
 £1,953.45 Hanover Crescent
 £1,906.62 Marine Square

£2,002.53 Royal Crescent

being the amounts given by adding to the amount at 3(f) 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 relevant 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.

Valuation Band: Parts of the Council's area	A* £	A £	B £	C £	D £	E £	F £	G £	H £
Rottingdean Parish	985.69	1,182.83	1,379.96	1,577.10	1,774.24	2,168.52	2,562.79	2,957.07	3,548.48
Hanover Crescent	1,085.25	1,302.30	1,519.35	1,736.40	1,953.45	2,387.55	2,821.65	3,255.75	3,906.90
Marine Square	1,059.23	1,271.08	1,482.93	1,694.77	1,906.62	2,330.31	2,754.01	3,177.70	3,813.24
Royal Crescent	1,112.52	1,335.02	1,557.52	1,780.03	2,002.53	2,447.54	2,892.54	3,337.55	4,005.06
All other parts of the council's area	967.71	1,161.25	1,354.80	1,548.34	1,741.88	2,128.96	2,516.05	2,903.13	3,483.76

* Entitled to disabled relief

4. To note that the Police & Crime Commissioner and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

Valuation Band:	A* £	A £	B £	C £	D £	E £	F £	G £	H £
Sussex Police & Crime Commissioner	119.39	143.27	167.15	191.03	214.91	262.67	310.43	358.18	429.82

* Entitled to disabled relief

Valuation Band:	A* £	A £	B £	C £	D £	E £	F £	G £	H £
East Sussex Fire Authority	54.13	64.95	75.78	86.60	97.43	119.08	140.73	162.38	194.86

* Entitled to disabled relief

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2021/22 for each part of its area and for each of the categories of dwellings.

Valuation Band: Parts of the Council's area	A* £	A £	B £	C £	D £	E £	F £	G £	H £
Rottingdean Parish	1,159.21	1,391.05	1,622.89	1,854.73	2,086.58	2,550.27	3,013.95	3,477.63	4,173.16
Hanover Crescent	1,258.77	1,510.52	1,762.28	2,014.03	2,265.79	2,769.30	3,272.81	3,776.31	4,531.58
Marine Square	1,232.75	1,479.30	1,725.86	1,972.40	2,218.96	2,712.06	3,205.17	3,698.26	4,437.92
Royal Crescent	1,286.04	1,543.24	1,800.45	2,057.66	2,314.87	2,829.29	3,343.70	3,858.11	4,629.74
All other parts of the council's area	1,141.23	1,369.47	1,597.73	1,825.97	2,054.22	2,510.71	2,967.21	3,423.69	4,108.44

* Entitled to disabled relief

6. In accordance with Section 52ZB of the Local Government Finance Act 1992 the Council determines its relevant basic amount of council tax for the financial year 2021/22 is not excessive.

Budget Process 2021/22 – Order of Events at Budget Council

1

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

2

- Each Group Proposer (unlimited time) and Group Secunder (5 minutes) to introduce proposals and move amendments (in order of Green, Labour and Conservative Groups)

3

- Full Council Debate (3 minutes per speaker)

4

- Right of Reply from Cllr Gibson (5 minutes)

5

- Recorded Vote on each amendment (Conservative (6); Labour (3); Green (1))

Short Adjournment prior to Vote on Substantive Budget Proposals

6

- Recorded Vote on substantive Budget and Council tax increase of 4.99% (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, Capital & Treasury Management Strategy 2021/22, and Supplementary Financial Information the HRA Revenue & Capital Budget 2021/22 and MTFS will be put to the vote by the Mayor

7

- Recorded Vote on Housing Revenue Account Budget & Capital Investment Programme 2021/22 and Medium-Term Financial Strategy (as amended / if amended)

