

**Subject:** **General Fund Revenue Budget, Capital & Treasury Management Strategy 2021/22** – Extract from the proceedings of the Policy & Resources Committee meeting held on the 11 February 2021

**Date of Meeting:** **25 February 2021**

**Report of:** **Executive Lead Officer for Strategy, Governance & Law**

**Contact Officer:** Name: **Mark Wall** Tel: **01273 291006**  
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**Wards Affected:** All

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

To consider the report and the recommendations from the Policy & Resources Committee.

**Recommendations:**

- (1) That the Administration's proposed budget and Council Tax increase on the Brighton & Hove element of the council tax, subject to the necessary revision to account for the approved joint amendment be approved, comprising:
  - (i) A general Council Tax increase of 1.99%;
  - (ii) An Adult Social Care Precept increase of 3.00%;
  - (iii) The council's net General Fund budget requirement for 2021/22 of £218.571m before accounting for the exceptional Section 31 item of - £33.764m;
  - (iv) The 2021/22 budget allocations to services as set out in the Budget book at Appendix 1 incorporating 2021/22 savings proposals;
  - (v) The reserves allocations as set out in the table at paragraph 5.26;
  - (vi) A recommended working balance of £9.000m.
- (2) That the updated Medium-Term Financial Strategy included in the Budget Book at Appendix 1 be noted;
- (3) That the Capital Strategy for 2021/22 at Appendix 2 be approved, comprising:
  - (i) The strategy for funding the investment in change, including the flexible use of capital receipts as set out in section 7;
  - (ii) The capital resources and proposed borrowing included at Annex A of the Capital Strategy;

- (iii) The Capital Investment Programme for 2021/22 of £221.103m included within the Budget book at Appendix 1 and incorporating allocations to strategic funds.
- (4) That the Equalities Impact Assessments to cover all relevant budget options and their cumulative effect as set out in Appendices 6 and 7 be noted;
- (5) That it be further noted that the budget decision is an indicative resourcing decision to be taken in the context of the explanation in the Legal Implications paragraph 17.3;
- (6) That the Treasury Management Strategy Statement as set out in Appendix 3 be approved, comprising:
  - (i) The Annual Investment Strategy;
  - (ii) The Prudential and Treasury Indicators;
  - (iii) The Minimum Revenue Provision policy;
  - (iv) The authorised borrowing limit for the year commencing 1 April 2021 of £541m.
- (7) That it be noted that supplementary information needed to set the overall council tax will be provided for the budget setting Council meeting as listed in paragraph 11.3.

**BRIGHTON & HOVE CITY COUNCIL**  
**POLICY & RESOURCES COMMITTEE**

**4.00pm 11 FEBRUARY 2021**

**VIRTUAL**

**DRAFT MINUTES EXTRACT**

**Present:** Councillor Mac Cafferty (Chair), Druitt (Joint Deputy Chair), Gibson (Joint Deputy Chair), Platts (Opposition Spokesperson), Bell (Group Spokesperson), Allcock, Clare, Miller, Moonan and Yates.

**Also present:** Dr Sasidharan (Standing Invitee).

**PART ONE**

**149 GENERAL FUND REVENUE BUDGET, CAPITAL AND TREASURY MANAGEMENT STRATEGY 2021/22**

- 149.1 The Acting Chief Finance Officer introduced the report which set out the budget proposals for 2021/22 based on a council tax increase of 4.99%, which included an Adult Social Care precept of 3%. He noted that the proposals aimed to maintain the financial resilience of the Council during the pandemic and the following recovery process. In relation to the overall budget proposals he also noted that it was proposed to use one-off resources to meet various pressures and Corporate Plan priorities. In regard to the capital programme he stated that a number of projects had been delayed and re-profiling had been undertaken to take them forward into the next financial year.
- 149.2 Members of the committee then put forward various questions seeking clarification on matters such as irrecoverable losses, support to local businesses in relation to the changing nature of the high street, the budget position for future years and planning to enable the council to maintain a sustainable budgetary position.
- 149.3 The Acting Chief Finance Officer stated that the council would do all it could to support local business and that it was also in the council's interest to sustain Business Rates. He noted however, that the council was generally precluded from providing direct support for commercial activity. In relation to forward planning, he also referred to Appendix 1 to the report which provided a medium-term financial strategy and noted the predicted future budget gaps but also advised that it was difficult to project the future as there had only been a 1-year funding settlement to date.
- 149.4 The Executive Director for Economy, Environment & Culture stated that in relation the recovery and local economy, there would be a need to wait for the lifting of restrictions to see what business reopened etc. He noted that new businesses were still coming to the city and looking to open and that it was intended to bring regular reports to the P&R Recovery Sub-Committee going forward.

- 149.5 Dr Anusree Biswas Sasidharan welcomed the intention to protect the voluntary sector as much as possible within the budget and noted how the sector had been affected across the country in terms of budget cuts and growing demand for services.
- 149.6 Members of the Committee expressed their thanks to the finance officers who had supported the Groups during the budget process and all officers for their work on the various proposals. The Committee also noted the situation affecting the Adult Health & Social Care budget and the need for its future resourcing to be considered by the government.
- 149.7 The Committee agreed to a short adjournment following the Chair's loss of internet connection 17.47 to 17.58.
- 149.8 The Chair noted that there had been a short adjournment and that there were two amendments that had been circulated with the addendum papers and invited Councillor Miller to move the first one.
- 149.9 Councillor Miller then moved an amendment on behalf of the Conservative Group which sought to provide additional funding for the carbon emission fund by removing the subsidy for councillors' bus passes and the ability to claim for cycle mileage.
- Remove subsidised councillor bus passes and cycle mileage so as to save £0.010m and allocate this to the climate assembly action capital fund, taking the annual revenue total up to £0.110m, and to create a further capital pot of £0.130m from this additional revenue, taking the total pot up to £1.43m.
- 149.10 Councillor Bell formally seconded the amendment and stated that the intention was to provide an equitable position for councillors, having noted the proposal to remove the subsidy for car park passes in the budget.
- 149.11 Councillors Druitt, Allcock and Gibson commented on the amendment and expressed their concern about not encouraging the use of sustainable transport methods and the lack of a collaborative approach.
- 149.12 Councillor Miller noted the comments and stated that it was aimed at using council resources to tackle the climate change emergency and he hoped the amendment would be supported.
- 149.13 The Chair then invited Councillor Yates to move the joint amendment and stated that he would invite the proposers and seconders from all three Groups to comment.
- 149.14 Councillor Yates formally moved the joint amendment stated that he had sought to get support for the amendment which he felt improved the overall position and use of resources and thanked both the Conservative and Green Groups for their support.
- Reduce Senior Management staffing budgets across all directorates by a total of £0.095k. Use the £0.095k released recurrently from the above to:
    - Introduce a £0.040m Community and Voluntary Sector Transformation Fund to support Organisations in that sector to transition away from local authority commissioning or grant funding arrangements into more diverse and sustainable funding streams.

- Allocate £0.015m of recurrent funding from the above to the financing costs budget to fund £0.425m of capital resources to provide a match funding pot for organisations outlined above seeking to make use of the Community Asset Transfer Policy. This capital funding pot to be replenished from any capital receipts generated through this scheme.
- Allocate the remaining £0.040m of recurrent funding from the above to the financing costs budget to fund £0.735m of capital resources and £0.004m of recurrent funding from the above to revenue for maintenance of this capital investment so as to promote, with the measures outlined below, the economy and particularly the visitor economy:

£0.005m revenue to fund:

- (a) £0.050m borrowing from £0.004m revenue, to support capital investment into a gateway welcome to Brighton and Hove on and adjacent to Patcham A27/A23 Roundabout to include a piece of iconic public artwork.
- (b) £0.001m revenue to maintain this gateway welcome

£0.005m revenue to fund £0.100m borrowing to support capital investment in upgrading Brighton and Hove Seafront Railings.

£0.005m revenue to fund:

- (a) £0.040m borrowing from £0.0035m revenue, to support capital investment into gateway welcomes at both Brighton and Hove train stations to include an iconic welcome to 'BRIGHTON' and 'HOVE' sign at each relevant station – similar to that in other iconic global Cities, which are photographed and shared on social media.
- (b) £0.0015m revenue to maintain these gateway welcomes

£0.005m revenue to fund:

- (a) £0.040m borrowing from £0.0035m revenue, to support capital investment into iconic welcome to 'BRIGHTON' and 'HOVE' signs on Brighton and Hove Seafronts – similar to that in other iconic global Cities, which are photographed and shared on social media.
- (b) £0.0015m revenue to maintain these

£0.003m revenue to fund:

- (a) £0.040m borrowing to support capital investment in Volk's Railway in line with the VERA business plan presented to TECC, namely £0.010m for additional signage, £0.025m for the North Siding, £0.005m for the halfway shelter.

£0.002m revenue to fund:

- (a) £0.050m borrowing to support capital investment in a new Hove Lagoon Skate Park.

£0.001m revenue to fund:

- (a) £0.015m borrowing to support capital investment in the Hove Beacon lighting scheme.

£0.014m revenue to fund:

- (a) an increase to the £0.047m identified for monitoring carbon reduction in contracts to £0.061m on a one-off basis for 2021/22 in order to broaden the scope of the carbon reduction initiative to include maximisation of social value and community wealth-building through the procurement process; and
- (b) permanently from 2022/23, capital financing provision for £0.400m borrowing to support capital investment in the Madeira Terraces Phase 2 scheme.

149.15 Councillors Miller and Druitt also formally moved the joint amendment and Councillors Platts, Bell and Gibson formally seconded the amendment. The Members thanked finance officers for their help in bringing the amendment forward and stated that it was important to provide support to the voluntary sector and to provide resources to improve the infrastructure of the city.

149.16 Dr Anusree Biswas Sasidharan welcomed the joint amendment and suggested that it would be helpful to have earlier notice of amendments in the future, especially for co-optees such as herself. She also expressed her concern over the decision not to support RISE as a voluntary organisation and questioned the procurement process which did not appear to reflect the social value priorities of the council. She also felt that the procurement process could have been paused during the pandemic and that the social value considerations could then have been taken into account as part of the award process. She also queried whether the £50k identified in the budget that was unallocated could be directed to RISE.

149.17 The Chair noted the comments and stated that he would be happy for the process relating to amendments to be raised with the Constitutional Working Group. He and other Members also shared the disappointment of the decision affecting RISE and he hoped that officers would review the process for future joint procurement projects to ensure that the Council's own clear commitments were incorporated into the contract specification review.

149.18 The Executive Director for Housing, Neighbourhoods & Communities noted that the procurement exercise had started in October 2019 and had been long process led by East Sussex County Council. The various bids had been judged against the service specifications and these had to be abided by, albeit that she understood the implications for RISE. She stated that officers had been in contact with representatives from RISE and would continue to work with them to manage the hand-over process. In regard to the £50k funding she was not able to confirm how that would be allocated as yet but believed it would be used to help support work related to domestic abuse in the city.

149.19 Councillor Yates noted the comments and thanked the Members for their support for the amendment and hoped that it showed how collaborative working could take place for the benefit of the city.

149.20 The Chair stated that he would then put the Conservative Group's amendment to the vote as detailed below:

		For	Against	Abstain
1	<b>Allcock</b>		x	
2	<b>Bell</b>	√		
3	<b>Clare</b>		x	
4	<b>Druitt</b>		x	
5	<b>Gibson</b>		x	
6	<b>Mac Cafferty</b>		x	
7	<b>Miller</b>	√		
8	<b>Moonan</b>		x	
9	<b>Platts</b>		x	
10	<b>Yates</b>		x	
	<b>Total</b>	2	8	-

149.21 The Chair confirmed that the amendment had been lost by 8 votes to 2.

149.22 The Chair then put the joint amendment to the vote as detailed below:

		For	Against	Abstain
1	<b>Allcock</b>	√		
2	<b>Bell</b>	√		
3	<b>Clare</b>	√		
4	<b>Druitt</b>	√		
5	<b>Gibson</b>	√		
6	<b>Mac Cafferty</b>	√		
7	<b>Miller</b>	√		
8	<b>Moonan</b>	√		
9	<b>Platts</b>	√		
10	<b>Yates</b>	√		
	<b>Total</b>	10	-	-

149.23 The Chair confirmed that the amendment had been carried unanimously.

149.24 The Chair then put the recommendations as amended to the vote as detailed below:

		For	Against	Abstain
1	<b>Allcock</b>	√		
2	<b>Bell</b>	√		
3	<b>Clare</b>	√		
4	<b>Druitt</b>	√		
5	<b>Gibson</b>	√		
6	<b>Mac Cafferty</b>	√		
7	<b>Miller</b>	√		
8	<b>Moonan</b>	√		
9	<b>Platts</b>	√		
10	<b>Yates</b>	√		
	<b>Total</b>	10	-	-

149.25 The Chair confirmed that the recommendations as amended had been carried unanimously.

149.26 **RESOLVED TO RECOMMEND:**

- (8) That the Administration's proposed budget and Council Tax increase on the Brighton & Hove element of the council tax, subject to the necessary revision to account for the approved joint amendment be approved, comprising:
- (i) A general Council Tax increase of 1.99%;
  - (ii) An Adult Social Care Precept increase of 3.00%;
  - (iii) The council's net General Fund budget requirement for 2021/22 of £218.571m before accounting for the exceptional Section 31 item of - £33.764m;
  - (iv) The 2021/22 budget allocations to services as set out in the Budget book at Appendix 1 incorporating 2021/22 savings proposals;
  - (v) The reserves allocations as set out in the table at paragraph 5.26;
  - (vi) A recommended working balance of £9.000m.
- (9) That the updated Medium-Term Financial Strategy included in the Budget Book at Appendix 1 be noted;
- (10) That the Capital Strategy for 2021/22 at Appendix 2 be approved, comprising:
- (v) The strategy for funding the investment in change, including the flexible use of capital receipts as set out in section 7;



- (vi) The capital resources and proposed borrowing included at Annex A of the Capital Strategy;
  - (vii) The Capital Investment Programme for 2021/22 of £221.103m included within the Budget book at Appendix 1 and incorporating allocations to strategic funds.
- (11) That the Equalities Impact Assessments to cover all relevant budget options and their cumulative effect as set out in Appendices 6 and 7 be noted;
- (12) That it be further noted that the budget decision is an indicative resourcing decision to be taken in the context of the explanation in the Legal Implications paragraph 17.3;
- (13) That the Treasury Management Strategy Statement as set out in Appendix 3 be approved, comprising:
- (i) The Annual Investment Strategy;
  - (ii) The Prudential and Treasury Indicators;
  - (iii) The Minimum Revenue Provision policy;
  - (viii) The authorised borrowing limit for the year commencing 1 April 2021 of £541m.
- (14) That it be noted that supplementary information needed to set the overall council tax will be provided for the budget setting Council meeting as listed in paragraph 11.3.
- 149.27 **RESOLVED:** That the council's appointed S151 Chief Financial Officer be authorised to make any necessary technical, presentational or consequential amendments to this report before submission to full Council.

