

Brighton & Hove City Council

Budget Council

Agenda Item 83

Subject: **General Fund Revenue Budget, Capital & Treasury Management Strategy 2022/23**
Extract from the Proceedings of the Policy & Resources Committee meeting held on the 10 February 2022

Date of meeting: **24 February 2022**

Report of: **Executive Director for Governance, People & Resources**

Contact Officer: **Name: Shaun Hughes**
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Ward(s) affected: **All**

For general release

Action Required of the Committee / Council:

To receive the report from the Policy & Resources Committee for consideration and the recommendations for approval.

Recommendations:

- (1) That the Administration's proposed budget and Council Tax increase on the Brighton & Hove element of the council tax be approved, comprising:
 - i) A general Council Tax increase of 1.99%;
 - ii) An Adult Social Care Precept increase of 1.00%;
 - iii) The council's net General Fund budget requirement for 2022/23 of £199.853m;
 - iv) The 2022/23 budget allocations to services as set out in the Budget book at Appendix 1 incorporating 2022/23 savings proposals and investments;
 - v) The reserves allocations as set out in the table at paragraph 5.20;
 - vi) A recommended working balance of £9.000m (approximately 4.5% of the net budget);
- (2) That the updated 4-Year Medium Term Financial Strategy included in the Budget Book at Appendix 1 be noted;
- (3) That the Capital Strategy for 2022/23 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 2022/23 of £222.788m 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 to the report be noted;
- (5) That it be further noted that approval of the budget is an indicative resourcing decision to be taken in the context of the explanation given in the Legal Implications paragraph 17.3 of the report;
- (6) That the Treasury Management Strategy Statement as set out in Appendix 3 to the report be noted 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 2022 of £590m.
- (7) That the supplementary information needed to set the overall council tax provided for the budget setting Council meeting as listed in paragraph 11.3 of the report and at item 84 of the agenda be noted.

Brighton & Hove City Council

Policy & Resources Committee

4.00pm 10 February 2022

Hove Town Hall - Council Chamber

Minutes

Present: Councillor Mac Cafferty (Chair) Druitt (Joint Deputy Chair), Gibson (Joint Deputy Chair), Allcock (Joint Opposition Spokesperson), Appich (Joint Opposition Spokesperson), Bell (Group Spokesperson), Evans, Miller, Shanks and Yates

Also present: Dr Anusree Biswas Sasidharan, Standing Invitee

Part One

108 GENERAL FUND REVENUE BUDGET, CAPITAL & TREASURY MANAGEMENT STRATEGY 2022/23

- 108.1 The Chief Finance Officer introduced the report to the committee.
- 108.2 Councillor Miller was informed that the breakdown of budget for graffiti removal could be provided later, and it was noted that there was no specific benchmarking against other local authorities, however the spend was not high.
- 108.3 Councillor Druitt was informed that there were four staff and part of a team leaders time made up the graffiti team.
- 108.4 Councillor Allcock was disappointed that the Arts Fund was to receive less funding. It was noted by the Councillor that the project worked across the city, and was inspirational, rewarding and accessible to all. The project boosted confidence, helping the young with college and employment applications. The Councillor was informed that impact of the reduction would be minimised.
- 108.5 Councillor Druitt shared Councillor Allcock's concerns and noted that this was not the first time Arts Award had been under pressure, however a number of meetings are to be held with stakeholders and there is a hope to save youth arts across the city. The administration will be looking at ways to find money for the Arts Award.
- 108.6 Councillor Shanks noted how important the work was and noted there was lots ongoing in the city and BHCC were doing well against other cities.
- 108.7 Councillor Yates noted it was good there was scope for reviewing and as they wanted the best outcomes.

- 108.8 Councillor Gibson noted that the budget setting had been faced with unpalatable savings and was not easy. Balancing the budget meant listening and consulting to find ways to improve the budget. The work on the budget was ongoing.
- 108.9 Councillor Miller proposed, seconded by Councillor Bell, the two Conservative Group amendments noting that the first amendment would be to spend £63,000 on City Platinum Jubilee celebrations. To include a one-off pot of £30,000 to support community events over the Jubilee weekend through a bidding process; £3,000 to run this bidding process, and £30,000 to support City in Bloom across the Jubilee weekend in Red, White and Blue flowers. The second amendment would allocate capital investment of £200,000 to commission a Monarchist statue commemorating Her Majesty and her platinum jubilee and to send a card of congratulations to her majesty on behalf of the residents of Brighton & Hove. Increase the capital funding available to support the Madeira Terraces renovation by £4.12m over the next 2 financial years.
- 108.10 Councillor Appich noted that council tax was to increase, and the benefits were not visible, with rising fuel bills. The councillor welcomed the work done on lettings, housing first, victim support and carbon neutrality. The councillor considered the ward budget reductions were not good.
- 108.11 Councillor Yates considered the community had a right to celebrate the Queens Platinum Jubilee and felt there would be street parties coming up to celebrate the Queens dedicated service to the country. It was noted by the councillor that there had been criticism of those countries who had not signed up to the climate change agreements. The councillor considered the council did its part and Members needed to play their part. The councillor did not support the amendments.
- 108.12 Councillor Evans was happy to send a card to the Queen but was not able to support the amendments. The councillor considered that a statue could be funded by public subscription. The councillor supported the restoration of Madeira Terrace, however they considered there were sufficient funds available at this time. The councillor did not support the amendments.
- 108.13 Councillor Gibson stated that they didn't want to reduce ward budgets and not that the amendments were not considering using 'clean money' – that which had already been allocated to other items. The councillor noted that the capital investment programme covered Madeira Terrace and new affordable housing. The carbon neutral fund was good. The budget needs to address priorities such as jobs, services, and climate level changes. For this a long term plan is needed to gain future savings. It was noted there are pressures from inflation, cost of materials etc. The budget is focused on future investment, equalities, council tax reduction scheme, reflecting lower pay scales. The councillor considered the Members needed to work together to pass the budget.

- 108.14 Councillor Druitt welcomed ways to reduce the cuts to ward budgets and noted other items were not good to reduce and requested that the Members work together to make the council financially resilient. The councillor noted the council had come a long way from previous cuts and requested that the government be asked to support councils. The councillor did not support the amendments and noted that extra funding was not required for Madeira Terrace at this time.
- 108.15 Councillor MacCafferty noted that the council celebrations for the Queens Platinum Jubilee would be posted on the council website which would include street parties, beacons, tree planting and arts funding.
- 108.16 Councillor Miller was disappointed that the Labour and Green groups were not able to support the amendments.
- 108.17 Councillor Gibson considered that the funding for the amendments could not come from transport model and would always welcome grants and government funding.
- 108.18 A recorded vote was taken on the first Conservative amendment and the following voted for: Councillors Miller and Bell. The following voted against: Councillors Allcock, Appich, Druitt, Evans, Gibson, MacCafferty, Shanks and Yates.

The amendment was dismissed by a vote of 8 to 2.

- 108.19 A recorded vote was taken on the second Conservative amendment and the following voted for: Councillors Miller and Bell. The following voted against: Councillors Allcock, Appich, Druitt, Evans, Gibson, MacCafferty, Shanks and Yates.

The amendment was dismissed by a vote of 8 to 2.

- 108.20 A recorded vote was taken on the recommendations and the following voted for: Councillors Druitt, Gibson, MacCafferty and Shanks. The following abstained: Councillors Allcock, Appich, Bell, Evans, Miller and Yates.

The recommendations were agreed by 4 to 6 abstentions.

108.21 RESOVLED TO RECOMMEND:

- (1) That the Administration's proposed budget and Council Tax increase on the Brighton & Hove element of the council tax be approved, comprising:
 - i) A general Council Tax increase of 1.99%;
 - ii) An Adult Social Care Precept increase of 1.00%;
 - iii) The council's net General Fund budget requirement for 2022/23 of £199.853m;

- iv) The 2022/23 budget allocations to services as set out in the Budget book at Appendix 1 incorporating 2022/23 savings proposals and investments;
 - v) The reserves allocations as set out in the table at paragraph 5.20;
 - vi) A recommended working balance of £9.000m (approximately 4.5% of the net budget);
- (2) That the updated 4-Year Medium Term Financial Strategy included in the Budget Book at Appendix 1 to the report be noted;
 - (3) That the Capital Strategy for 2022/23 at Appendix 2 to the report 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 2022/23 of £222.788m 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 to the report be noted;
 - (5) That it be further noted that approval of the budget is an indicative resourcing decision to be taken in the context of the explanation given in the Legal Implications paragraph 17.3 of the report;
 - (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 2022 of £590m; and
 - (7) That the supplementary information needed to set the overall council tax provided for the budget setting Council meeting as listed in paragraph 11.3 of the report be noted.
- 108.22 **RESOLVED:** That the council's Chief Finance Officer be authorised to make any necessary technical, presentational or consequential amendments to this report before submission to Budget Council.