

BRIGHTON & HOVE CITY COUNCIL
STRATEGY, FINANCE & CITY REGENERATION COMMITTEE

4.00pm 8 FEBRUARY 2024

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

Present: Councillors Sankey (Chair) Taylor (Deputy Chair), Shanks (Opposition Spokesperson), McNair, Muten, Pumm, Robins, Rowkins, Williams and Burden (Substitute)

PART ONE

95 PROCEDURAL BUSINESS

a) Declarations of substitutes

95.1 Councillor Burden substituted for Councillor Cattell

b) Declarations of interests

95.2

- Councillor Shanks declared: they were an allotment holder; trustee of Brighton Youth Centre; Homewood College School Governor; trustee of Brighton Pavilion; and husband is a trustee of Community Works. They had received dispensation by the Monitoring Officer to speak and vote.
- Councillor McNair declared: wife works for Ukraine International Events CIC; and Carden Primary School Governor. They had received dispensation by the Monitoring Officer to speak and vote.
- Councillor Muten declared: they were an allotment holder; wife is a trustee of Hangleton & Knoll Project; and wife is employed by Brighton & Hove Faith in Action. They had received dispensation by the Monitoring Officer to speak and vote.
- Councillor Robins declared: they were an allotment holder; trustee of Brighton Pavilion; and chair of Fresh Start Charity. They had received dispensation by the Monitoring Officer to speak and vote.
- Councillor Taylor declared: they were a Longhill School Governor.
- Dr Anusree Biswas Sasidharan declared: they were a director of Bridging Change; and a partner of Community Works Reps.

c) Exclusion of the press and public

95.3 In accordance with Section 100A of the Local Government Act 1972 (“the Act”), the Committee considered whether the public should be excluded from the meeting during consideration of any item of business on the grounds that it is likely in view of the business to be transacted or the nature of the proceedings, that if members of the public were present during it, there would be disclosure to them of confidential information as defined in Section 100A (3) of the Act.

95.4 **RESOLVED:** That the public are not excluded from the meeting as there were no items listed on Part 2 of the agenda.

96 MINUTES

96.1 **RESOLVED:** The minutes of the previous meetings held on 5 December 2023 and 25 January 2024 were agreed.

97 CHAIR'S COMMUNICATIONS

97.1 The chair gave the following communications speech: Last week, we published our budget proposals, five working days after we received the financial settlement from Government. The budget will be voted on for the first time today at this meeting as the first stage of the democratic process before the budget for next year is set at the Annual Budget council meeting later this month on the 22 February.

The headline news is that despite being dealt the worst possible hand, your Labour Council has avoided bankruptcy. We've spent months pouring over the figures, canvassing ideas from staff at all levels of the organisation, speaking to our recognised unions, going through every line of council spend, to try and find a way to set a balanced budget in the least damaging way to our city.

It has been a gut-wrenching process. Seeing in unvarnished detail the end result of 14 years of Tory-economics which, having already delivered a £100 million real terms cut in funding to our City, now requires us to find an additional £30 million savings just to stand still – the largest cut in the 26 year history of Brighton & Hove City Council.

We're not alone in our position. In the 14 months I've been a Councillor, four Councils in England have issued a Section 114 notice, effectively declaring themselves bankrupt. Councils led by all political parties are in dire financial straits. In December, research by the Local Government Association revealed that almost 1 in 5 council leaders think it is very or fairly likely that they will need to issue a Section 114 notice this year, or next year due to funding gaps.

Thanks to excellent work by our team, led by our Deputy Leader & Finance Lead, Cllr Jacob Taylor, and chief finance officer, Nigel Manvell, we are - not yet – in that position. And this is despite being left in dire financial straits by the last Green Administration, overspending last year's budget by over £3 million, bequeathing us a budget for the current year which at one point was projected to overspend by £15 million and of course backing the i360 with Council money creating a bottomless pit in our council finances.

This time last year, there was rightly an outcry when the Green led administration proposed closing/charging for public toilets, cutting our lifeguard service, shutting Bright Start nursery and other vital services. Labour knows how important these frontline services are for everyone and so we have protected them in our budget – keeping all our council run nurseries open, safeguarding our libraries and our public loos and going one step further and proposing the reopening of Royal Pavilion Gardens toilet this Spring. We've also protected free swimming for under 18s, our street cleaning services,

and our new approach to weeds management will add extra resource to get a handle on the graffiti tagging plaguing the City.

There are additional things to be proud of in our budget. We have found funding for a pilot schools counselling project: a Labour manifesto commitment in the local elections last year. We know from teachers and students that there is a spike in mental health challenges among our young people, leading to a school attendance crisis. So, working with our family of schools, we are going to develop a pilot to commence this September to provide mental support for a cohort of children in the City.

I am also proud that we are in this budget repurposing a building to allow the creation of a residential home for children with learning disabilities currently placed outside of the City. This was a Labour manifesto commitment in May 2023 and we are delivering. I am pleased that this has been welcomed by the Parent and Carers Council and we look forward to working with them on its implementation.

We are also accelerating infrastructure projects that will improve the health and wellbeing of residents and we remain committed to investment in new house-building and pulling all the levers we can for more affordable housing in our City.

The worst bits of our budget? First, a council tax rise of 4.99%, forced on us by a flat-lining economy administered by a zombie Tory Government during a cost of living crisis. We are mitigating the worst effects of this by ringfencing our Council Tax Reduction Scheme, benefitting over 19,000 low-income households.

Second, potential job losses at the Council in posts currently held by hard-working and talented staff. We hope to mitigate this as far as possible through consultation and redeployment.

Third, cuts to services including those delivered by our valued community and voluntary sector. We have sought to limit the pain as best we can, but the Council's financial position is so serious that the 10% cut we are making to our net general fund is also being passed on to Third Sector contracts next year.

Make no mistake these are Tory cuts not Labour cuts. And we are doing our best to mitigate their impact wherever we can. In an ideal world as well as adequate funding the government would have given us sufficient time to consult on our budget proposals however our Government is now in such a state of free-falling chaos this has not happened.

The government announced the final Local Government Finance Settlement for 2024/25 on Monday this week. The announcement included the allocation of the additional £500m nationally of Social Care Funding that was announced just under 2 weeks ago and this has resulted in Brighton and Hove City Council being allocated £2.559m additional grant for 2024/25. The budget report for this Committee circulated last week assumed a lower prudent allocation of £2.250m as the government has distributed funding on differing bases in the past and of this, £0.201m was held back in contingency in case the funding turned out to be lower.

With this announcement and the amount held in contingency there is a total of £500k unallocated and this will be reflected in the Supplementary Report to Budget Council which will be circulated next week. Details of how this will be allocated will also be contained in the Supplementary Report to Budget Council which will be published next week.

Since their publication, these budget proposals are now being rightly scrutinised by residents, businesses and our valued CVS sector to scrutinise and tell us your thoughts. And I want to place on record my thanks to everyone who has engaged and been in touch with us so far.

We are listening:

- We have heard feedback on the impact of reducing the funding to Brighton Unemployed families project and Brighton Oasis for childcare provision. We are exploring ways to protect that funding.
- We're also concerned about whether changes to homeless advice commissioning might threaten the future of the Youth Advice Centre. We don't want that to happen, and are discussing this with YMCA Downslink as a priority. Overall budget position has been extremely severe, but we're exploring whether some additional funding might be available to help support this hugely valued service.
- The council is proposing to make a saving of 58k on the commissioning of the 'Reconnections' service at First Base. First Base is an absolutely vital Day Centre in the city for homeless people, and we are exploring how we might be able to unlock DLUHC monies to maintain that funding. I have asked Officers to actively engage with First Base to ensure this facility can be maintained.
- It is also with great sadness that the communities fund has for now been discontinued, other than the BME fund. We completely recognise the importance of the work done by smaller voluntary and charity organisations in the city. The small uplift in our overall position, following the final local government settlement this week, and are minded to try and recreate a new version of the Communities fund with this money.

On a related note, the future of the Government's Household Support Fund still hangs in the balance. This is the £4 million that allows us to provide FSM vouchers in the school holiday, emergency fuel and food vouchers and much of the direct support to foodbanks and other services keeping food in people's bellies in Tory Britain. We still have no clarity as to whether this fund will continue past 31st March and so this additional financial breathing space confirmed last Monday will be held in contingency as we consider how best it can be used to impact the on-going cost of living crisis. I was at Whitehawk Foodbank this morning speaking our fantastic, resilient and dignified residents about the pressures they are facing. Brightonians refuse to have their spirit broken by this tawdry, unfit for office, Government but they are being pushed to breaking point. This Labour Administration will always be on the side of our residents in these toughest of times, and my goodness a General Election cannot come soon enough.

Lastly as a local political leader I'd like to place on record my disgust at the Prime Minister's 'joke' at PMQs yesterday at the expense of our transgender community, while the mother of Briana Ghey, a murdered trans teenager sat in the public gallery. As our leader Keir Starmer made clear everyone in our country has the right to live in dignity, free from discrimination and violence. I'd also like to place on record my opposition to

the line in the financial settlement letter I received from Michale Gove on Monday, instructing council leaders to scrap equality, diversity and inclusion training. I know this Tory Government likes placing ill-advised bets, so I'll wager Michael Gove that this authority's anti-racism and EDI work will outlast his Government.

98 CALL OVER

98.1 The Democratic Services officer announced all the agenda items. The committee indicated that they wished to discuss all the agenda items. They were therefore all called for discussion.

99 PUBLIC INVOLVEMENT

99.1 There were no public involvement items.

A ITEMS REFERRED FROM COUNCIL

99a.1 One item referred from Full Council: Petition: School and College-Based Counselling across Brighton and Hove.

99a.2 The committee agreed to note the petition presented at Full Council.

100 MEMBER INVOLVEMENT

100.1 There were no Member involvement items.

101 GENERAL FUND REVENUE BUDGET, CAPITAL & TREASURY MANAGEMENT STRATEGY 2024-25

101.1 The Chief Finance Officer introduced the report to the committee.

101.2 The committee considered the report of the Chief Finance Officer.

101.3 Councillors Burden, McNair, Pumm, Robins, Rowkins Taylor, Sankey, Shanks, Williams and Dr Biswas Sasidharan asked questions and contributed to the debate.

Vote

101.4 A vote was taken, and by 8 to 2 abstentions (Councillors McNair and Shanks) the committee agreed the recommendations.

RESOLVED:

That Strategy, Finance & City Regeneration Committee recommends to Council:

- 2.1 The Administration's proposed budget and Council Tax increase on the Brighton and Hove element of the council tax, comprising:
- i) A general Council Tax increase of 2.99%;
 - ii) An Adult Social Care Precept increase of 2.00%;
 - iii) The council's net General Fund budget requirement for 2024/25 of £246.353m;

- iv) The 2024/25 budget allocations to services as set out in Appendix 1;
 - v) The Budget Strategies and proposed savings as set out in Appendix 1;
 - vi) The one-off resource allocations as set out in the table at paragraph 5.8.
 - vii) A recommended working balance of £9.000m (approximately 3.7% of the net budget) to be maintained or replenished over the period of the Medium Term Financial Strategy.
- 2.2 That Council notes the updated 4-Year Medium Term Financial Strategy included at paragraph 10.3 including predicted budget shortfalls of £73m over the 4-year period.
- 2.3 That Council approves the Capital Strategy for 2024/25 at Appendix 2 comprising:
- i) The strategy for funding the investment in change, including the flexible use of capital receipts as set out in section 8;
 - ii) The capital resources and proposed borrowing included at Annex A of the Capital Strategy;
 - iii) The Capital Investment Programme for 2024/25 of £211.470m included at Appendix 1 and incorporating allocations to strategic funds.
- 2.4 That Council notes the Equalities Impact Assessments to cover all relevant budget options as set out in Appendix 6.
- 2.5 That Council further notes that approval of the budget is an indicative resourcing decision to be taken in the context of the explanation given in the Legal Implications at paragraph 18.2.
- 2.6 That Council approves the Treasury Management Strategy Statement as set out in Appendix 3 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 2024.
- 2.7 That Council notes that supplementary information needed to set the overall council tax, including a detailed Budget Book, will be provided for the Budget Council meeting as listed in paragraph 12.3.

That Strategy, Finance & City Regeneration Committee:

- 2.8 Agrees 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.

102 HOUSING REVENUE ACCOUNT BUDGET & CAPITAL INVESTMENT PROGRAMME 2024/25 AND MEDIUM-TERM FINANCIAL STRATEGY

- 102.1 The Executive Director - Housing Neighbourhoods & Communities introduced the report to the committee.
- 102.2 The committee considered the report of the Chief Finance Officer and the Executive Director for Housing, Neighbourhoods & Communities.

102.3 Councillors Muten and Taylor asked questions and contributed to the debate.

Vote

102.4 A vote was taken, and by 9 to 1 abstention (Councillor McNair) the committee agreed the recommendations.

RESOLVED:

That the Housing & New Homes Committee:

- 2.1 Approves a rent increase of up to 7.7% in line with government legislation as detailed in paragraph 3.14 of the report.
- 2.2 Approves the service charges and fees as detailed in Appendix 2 to the report.
- 2.3 Notes the Medium-Term Financial Strategy and 30-year financial projections shown in Appendix 4 to the report.
- 2.4 Approves the Travellers fees and Charges set out in Appendix 5 to the report.

That the Housing & New Homes Committee approves and recommends to Strategy, Finance & City Regeneration Committee:

- 2.5 The updated HRA Revenue Budget for 2024/25 as shown in Table 1 of the main report and Appendix 1 to the report be agreed and recommended to Full Council for approval.
- 2.6 That the un-ringfencing of reserves is approved as set out in paragraphs 3.20 to 3.23 of the main report and Appendix 1 to the report.
- 2.7 That the new Capital Programme Budget of £57.955m for 2024/25 be agreed as part of the revised capital budget of £87.623m (which includes reprofiles of £29.668m from 2023/24), and recommended to Full Council for approval; and
- 2.8 That the 5-year capital programme as set out in Appendix 3 to the report is noted and recommended to Full Council for approval.

That Full Council:

- 2.9 Approves the updated HRA Revenue Budget for 2024/25 as shown in Table 1 of the main report and Appendix 1 to the report.
- 2.10 Approves the new Capital Programme Budget of £57.955m for 2024/25 as part of the revised capital budget of £87.623m (which includes reprofiles of £29.668m from 2023/24); and
- 2.11 Notes the 5-year capital programme as set out in Appendix 3 to the report.

103 TARGETED BUDGET MANAGEMENT (TBM) 2023/24: MONTH 9 (DECEMBER)

103.1 The Chief Finance Officer introduced the report to the committee.

103.2 The committee considered the report of the Chief Finance Officer.

103.3 Councillor Taylor asked questions and contributed to the debate.

Vote

103.4 A vote was taken, and unanimously agreed the recommendations.

RESOLVED:

- 2.1 That the Committee note the forecast risk position for the General Fund, which indicates a near break-even position of a £0.021m overspend. This includes an underspend of £0.159m on the council's share of the NHS managed Section 75 services.
- 2.2 That the Committee note the forecast for the Housing Revenue Account (HRA), which is currently also a break-even position.
- 2.3 That the Committee note the forecast position for the Dedicated Schools Grant which is currently an overspend of £0.098m.
- 2.4 That the Committee note the forecast outturn position on the capital programme which is a forecast underspend of £2.151m and approve the variations and slippage in Appendix 6 and new schemes as set out in Appendix 7.
- 2.5 That the Committee note the Treasury Management Update as set out in Appendix 8.

104 LIBRARIES FEES AND CHARGES 2024-25

104.1 The Executive Director - Housing Neighbourhoods & Communities introduced the report to the committee.

104.2 The committee considered the report of the Executive Director - Housing Neighbourhoods & Communities.

104.3 Councillors Pumm and Shanks asked questions and contributed to the debate.

Vote

104.4 A vote was taken, and by 9 to 1 abstention (Councillor McNair) the committee agreed the recommendations.

RESOLVED:

- 2.1 That Committee agrees to the Library Service not raising fees and charges in April 2024.

- 2.2 That Committee notes that additional income is forecast for 2024-25 from the Booklover retail offer at Jubilee Library, which would achieve the 3.5% increase in income expected without raising fees and charges for customer use of core library offers.

105 PART TWO MINUTES

- 105.1 **RESOLVED:** There were no Part 2 minutes of the previous meeting.

106 PART TWO PROCEEDINGS

- 106.1 **RESOLVED:** There were no Part 2 Items to remain exempt from disclosure from the press and public.

107 ITEMS REFERRED FOR FULL COUNCIL

- 107.1 **RESOLVED:** All agenda reports were referred to Full Council.

The meeting concluded at 5.56pm

