

22 February 2018

Brighton & Hove City Council

Subject:	General Fund Revenue Budget, Council Tax and Capital Investment Programme 2018/19 Extract from the Proceedings of the Policy, Resources & Growth Committee meeting held on the 8th February 2018		
Date of Meeting:	22 February 2018		
Report of:	Executive Lead Officer for Strategy, Governance & Law		
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Wards Affected:	All		

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

To receive the item referred from the Policy, Resources & Growth Committee for decision:

Recommendations:

- (1) The Administration's proposed Council Tax increase in the Brighton & Hove element of the council tax be approved, comprising:
 - (i) A general Council Tax increase of 2.99%;
 - (ii) An Adult Social Care precept increase of 3.00%;
 - (iii) The council's net General Fund budget requirement for 2018/19 of £208.824m;
 - (iv) The 2018/19 budget allocations to services as set out in Appendix 1 incorporating 2018/19 savings proposals contained in the 4-Year Integrated Service & Financial Plans;
 - (v) The reserves allocations as set out in paragraph 3.21 and table 3;
 - (vi) The Prudential Indicators as set out in Appendix 10 to this report.
- (2) That the Equalities Impact Assessments to cover all relevant budget options and their cumulative effect as set out in Appendices 11 and 12 to the report be noted;
- (3) That the authorised borrowing limit for the year commencing 1 April 2018 of £436m be approved;

- (4) That the annual Minimum Revenue Provision statement as set out in Appendix 9 to the report be approved;
- (5) That the 4-Year Integrated Service & Financial Plans proposals for 2019/20 at Appendix 6 to the report be noted;
- (6) That the updated Medium Term Financial Strategy at Appendix 4 to the report be noted;
- (7) That the strategy for funding the investment in change and flexible use of capital receipts set out in paragraph 6.10 of the report be approved;
- (8) That the Capital resources and proposed borrowing included in Appendix 7 to the report be noted;
- (9) That the Capital Investment Programme for 2018/19 included at Appendix 8 to the report and incorporating allocations to strategic funds detailed in paragraph 6.9 of the report be approved; and
- (10) 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 of the report.

BRIGHTON & HOVE CITY COUNCIL
POLICY, RESOURCES & GROWTH COMMITTEE

4.00pm 18 FEBRUARY 2018

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

Present: Councillors Morgan (Chair), Hamilton (Deputy Chair, Finance), Janio (Opposition Spokes), Mac Cafferty (Spokes), Mears, Mitchell, Peltzer Dunn, Sykes, Wealls and Yates.

PART ONE

102 GENERAL FUND REVENUE BUDGET, COUNCIL TAX AND CAPITAL INVESTMENT PROGRAMME 2018/19

- 102.1 The Committee considered the report of the Executive Director of Finance & Resources, which set out the final proposals for the General Fund Revenue Budget, Capital Programme and Council Tax for 2018/19 together with the Integrated Service & Financial Plans for 2019/20 and a 10 year capital strategy. The report was introduced by the Executive Director Finance & Resources.
- 102.2 Councillor Wealls referred to the Capital Investment Programme and the Education Basic Need funding, and asked what funding was likely to be freed up given the administration's decision not to support the Brighton University Academies Trust new secondary school. The Executive Director Families Children & Learning said that the decision on whether to proceed with the new school was for the Department for Education, rather than the Council, and to date no decision had been made. It was therefore necessary to keep the funding until a decision not to proceed was made.
- 102.3 Councillor Wealls noted that there will be a supplementary report for Budget Council on Adult Social Care funding, and said that it would be helpful if that report could be more generic so allow a full discussion on how the funding would be spent at the next the PR&G Committee. The budget included restoration of £50k for union facility time, and asked if that would impact on relationships with the unions. The Chair expected it would.
- 102.4 Councillor Sykes referred to the savings through procurement and contract management, and noted that some figures had been given of between £500k and £1m savings over a couple of years, but elsewhere a figure of savings of £3m or more a year had been suggested, and asked for more information on the difference between the two figures. The Executive Director Finance & Resources said that the initial four year plan had some procurement savings, but the Council then got additional funding

towards procurement contract management activity, and further specific savings were identified.

- 102.5 Councillor Sykes noted that the money the Council got from Central Government for PFIs was a fixed amount, but the Council paid 3.5% more each year for the Waste PFI and asked why the amount the government paid did not increase. The Head of Finance said that all PFI credits were fixed and did not increase with inflation. With PFIs the reserves tended to build up in the early years, which would then be drained over time as inflation kicked in. The Waste PFI was volatile and demography could impact on the costs.
- 102.6 Councillor Sykes referred to the proposed savings within Housing, and noted that there had been a slight change from the figures provided in November 2017. Last year there had been a £36k saving against Housing Options, but that was now shown against the Housing General Fund and asked if the posts which were threatened in Housing Options were now safe. The Executive Director Neighbourhoods, Communities and Housing said the savings had been replaced by the deletion of a management post within Housing. The Director added that the additional money which was put in last year as a result of a council amendment was for one year, so that funding would not be available this year. Councillor Sykes referred to Education & Skills and noted the reduction of two Family Coach posts, with a saving of £80k, and the report says that the cuts to those posts was made in April 2017 but the Equality Impact Assessment (EIA) indicated otherwise. The Executive Director Families Children & Learning said that there had been a significant redesign last year and it had incorporated the projected savings for this year, so those two posts weren't in place. The Director thought that the EIA had been updated, and apologised that it had not.
- 102.7 Councillor Mac Cafferty referred to the New Priorities for Investment, and had a number of questions on the spending. He noted that £20k would be spent on Independent Visitors to support Children in Care and asked what that money would cover. He referred to the Youth Employability Service and asked if the £90k had been identified to a specific service area. He noted that £10k would be invested in the Youth Bus, and £50k for supporting unaccompanied asylum seekers, asked if that provision was sustainable. The Executive Director Families Children & Learning said that the Independent Visitors were volunteers and, whilst some of the money would be for administration, the bulk of it would be for their expenses such as taking a child for a coffee. With regard to the Youth Employability Service the intention was to extend the work supporting young children who leave the school system, particularly those with a disability. The Youth Bus would be operated by the Community and Voluntary Sector, and the £10k would be used for admin costs and maintenance of the vehicle. The cost of supporting unaccompanied asylum seekers would be more than £50k, and so additional funding would be required but the bulk of that should come from the NHS.
- 102.8 Councillor Mac Cafferty referred to the Public Health budget and noted that 'substance misuse' would have temporary funding for 2018/19 and asked if that would affect the proposed budget cut. The Executive Director Health & Adult Social Care said that a saving of £28k had been negotiated with the provider for services relating to the in-patient detox service. However, he was unsure how that related to the proposed budget cut and would get back to Councillor Mac Cafferty.

- 102.9 Councillor Janio referred to adult social care, and noted that a report would come to Budget Council confirming the additional money but the decision on how it would be allocated would go to another meeting. He asked if the report setting out how that money could be spent be considered by Policy Resources & Growth Committee, rather than Leaders Group which he thought had been suggested. The Executive Director Finance & Resources said that Leaders Group was suggested as a meeting to discuss the process of allocating the money, rather than actually making a decision on the allocation itself.
- 102.10 Councillor Janio thanked the administration for incorporating a number of Conservative ideas within the budget. He said that the Conservatives would vote for the budget, but wouldn't 'support' it. Councillor Janio thanked officers for the work they had undertaken in preparing the budget.
- 102.11 Councillor Hamilton thanked officers for their work in preparing the budget and said that it was a tremendous piece of work.
- 102.12 The Chair said that, despite political differences, councillors had to deal with difficult funding issues and reach an agreement. He thanked the finance team and everyone involved in preparing the draft budget.
- 102.13 **RESOLVED:** That the Committee recommends to Council:
- (1) The Administration's proposed Council Tax increase in the Brighton & Hove element of the council tax, comprising:
 - (i) A general Council Tax increase of 2.99%;
 - (ii) An Adult Social Care precept increase of 3.00%;
 - (iii) The council's net General Fund budget requirement for 2018/19 of £208.824m;
 - (iv) The 2018/19 budget allocations to services as set out in Appendix 1 incorporating 2018/19 savings proposals contained in the 4-Year Integrated Service & Financial Plans;
 - (v) The reserves allocations as set out in paragraph 3.21 and table 3;
 - (vi) The Prudential Indicators as set out in Appendix 10 to this report.
 - (2) That Council note the Equalities Impact Assessments to cover all relevant budget options and their cumulative effect as set out in Appendices 11 and 12.
 - (3) That Council approves the authorised borrowing limit for the year commencing 1 April 2018 of £436m.
 - (4) That Council approves the annual Minimum Revenue Provision statement as set out in Appendix 9.

- (5) That Council notes the 4-Year Integrated Service & Financial Plans proposals for 2019/20 at Appendix 6.
- (6) That Council notes the updated Medium Term Financial Strategy at Appendix 4.
- (7) That Council approves the strategy for funding the investment in change and flexible use of capital receipts set out in paragraph 6.10.
- (8) That Council notes the Capital resources and proposed borrowing included in Appendix 7.
- (9) That Council approve the Capital Investment Programme for 2018/19 included at Appendix 8 and incorporating allocations to strategic funds detailed in paragraph 6.9.
- (10) That Council note 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.
- (11) That Policy, Resources & Growth Committee agrees that officers be authorised to make any necessary technical, presentational or consequential amendments to this report before submission to full Council.