

Budget Council

22 February 2018

Agenda Item 78

Brighton & Hove City Council

Subject: Supplementary Financial Information for Budget Council**Date of Meeting: 22 February 2018****Report of: Executive Director of Finance & Resources****Contact Officer: Name: James Hengeveld Tel: 01273 291242****E-mail: James.Hengeveld@brighton-hove.gov.uk****Wards Affected: All****FOR GENERAL RELEASE**

Note: The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that the East Sussex Fire Authority did not set its council tax precept until Thursday 15th February 2018; which was after the publication of the agenda and the council tax resolution set out in the report could not be finalised until that figure was known.

1. PURPOSE OF REPORT AND POLICY CONTEXT:

1.1 To update Members with further budget information and revisions since the General Fund Revenue Budget, Council Tax and Capital Investment Programme, and Housing Revenue Account Budget and Investment Programme reports were considered at Policy, Resources & Growth Committee on the 8 February 2018.

1.2 The proposed budget is based on the Administration's council tax proposal of 2.99%, including an additional 1% allowed by government in the final Local Government Financial Settlement, together with a further 3.00% increase in respect of an Adult Social Care precept also allowed by government within the final settlement. Incorporating the Police and Fire elements of the council tax, the overall increase for most residents of Brighton and Hove will be 6.00%.

2. RECOMMENDATIONS:

2.1 That Council use the statutory budget calculation and the Council Tax Resolution set out in this report for a 5.99% council tax increase as the basis of debate at the meeting.

3. CONTEXT / BACKGROUND INFORMATION***2018/19 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 8 February 2018 Policy, Resources & Growth committee report and will cover the following:-

- The final Local Government Finance Settlement 2018/19;

- Any other grants announced or confirmed prior to Budget Council;
- The agreed council tax set by the East Sussex Fire Authority & Sussex Police and Crime Commissioner;
- The statutory council tax calculations required under the 1992 Local Government Finance Act;
- The full budget and council tax resolution for Budget Council.

Final Local Government Finance Settlement 2018/19 and updated grants information

- 3.2 The final Local Government Finance Settlement was announced on the 6 February 2018. This included a new allocation of £150 million nationally for a 2018/19 Adult Social Care grant and the council's allocation from this is £0.768m. This amount will be held in contingency to support Adult Social Care services and the allocation of this will be subject to a future report to Policy, Resources & Growth committee. At this time, no detailed information or conditions of use have been notified.
- 3.3 The Discretionary Housing Payments grant has been announced for 2018/19 at £0.837m which is a reduction of £0.295m on 2017/18.
- 3.4 There is an increased allocation for the Housing Benefit Administration grant of £0.012m relating to new burdens and this amount has been included in the service budget.
- 3.5 There is a small increase in the New Homes Bonus grant of £0.004m.
- 3.6 The Environment Agency levy has been confirmed at £0.066m which is £0.002m higher than previously allowed for in the budget and this will be funded from the increased New Homes Bonus grant noted above with the remaining £0.002m being held as pressure funding for grants not yet announced.
- 3.7 The Ministry of Housing, Communities & Local Government has revised the section 31 compensation grants relating to capping business rates increases. This results in an additional £0.125m and this will be set aside in contingency to offset reductions in business rates as a consequence of the cap.
- 3.8 An amended Appendix 1 is included to reflect the changes above.

Other Changes

Treasury Management Strategy

- 3.9 The 2018/19 Treasury Management Strategy and Annual Investment Strategy are being formulated, and a fund selection process is being undertaken by the council's Treasury Advisors. Any changes that arise will be incorporated in the 2018/19 strategy which will be reported for approval at Policy, Resources & Growth Committee on 29 March 2018 and Full Council on 19 April 2018. The existing 2017/18 Investment Strategy will be adhered to until the 2018/19 Strategy is formally approved.

Royal Pavilion & Museums

- 3.10 The 2018/19 budget proposals contain savings of £0.121m in relation to the potential transfer of the Royal Pavilion & Museums service to charitable trust status. The potential transfer has now been deferred pending further assessment of all options for future delivery of the service. This means the proposed saving is unlikely to be achieved. However, as the savings relating to the Royal Pavilion &

Museums transfer were to be reinvested in the service (see Table 6, Page 19 of the General Fund budget report), in accordance with Policy, Resources & Growth Committee decision on 19 January 2017, this has no net impact on the General Fund Revenue Budget proposals for 2018/19. Future years' savings relating to the Royal Pavilion & Museums will be dependent on the outcome of the reassessment of options.

Housing Revenue Account (HRA)

- 3.11 The HRA revenue budget was amended by Policy, Resources & Growth Committee on 8 February 2018 to remove the proposed contribution to Children's Centre Services of £0.170m and apply the released resources to the direct revenue funding of the HRA capital programme. This amendment has been updated and reflected in the body, tables and appendices of the Housing Revenue Account Budget & Investment Programme report (Item 79).

Council Tax

- 3.12 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.

	2018/19 Band D Council Tax	Change on 2017/18	Percentage change
Brighton & Hove City Council	£1,549.07	£87.57	5.99%
Sussex Police & Crime Commissioner	£165.91	£12.00	7.80%
East Sussex Fire Authority	£91.00	£2.60	2.94%
Total for Brighton & Hove residents	£1,805.98	£102.17	6.00%

- 3.13 The Brighton & Hove City Council Band D council tax change of £87.57 includes £43.84 for the 3% Adult Social Care precept.

Budget and Council Tax Appendices

- 3.14 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 14.
- 3.15 The full resolution for Budget Council is included at Appendix 15.

SUPPORTING DOCUMENTATION

Appendices:

1. Revised Movements in Budget allocations 2017/18 to 2018/19.
14. The statutory calculations required under the 1992 Local Government Act.
15. Proposed full resolution for Budget Council.

Documents in Members' Rooms

1. No further documents.

Background Documents

1. No further background documents.