

BRIGHTON & HOVE CITY COUNCIL

CABINET

4.00PM 9 DECEMBER 2010

COUNCIL CHAMBER, HOVE TOWN HALL

DRAFT MINUTES

Present: Councillors Mears (Chairman), Alford, Brown, Fallon-Khan, K Norman, Simson, Smith, G Theobald and Young

Also in attendance: Councillors Mitchell (Opposition Spokesperson), Kitcat (Opposition Spokesperson) and Watkins (Opposition Spokesperson)

Other Members present: Councillors Hawkes and Phillips

PART ONE

123. BUDGET UPDATE & BUDGET STRATEGIES 2011/12

123.1 The Cabinet considered a report of the Director of Finance updating Members on the latest budget position and budget strategies for 2011/12 in anticipation of the Local Government Finance Settlement.

123.2 Councillor Young reported that a full budget package could not yet be considered by the Cabinet because the Local Government Finance Settlement had yet to be announced; details of the Schools Settlement and specific grants were also required. She announced that a council tax freeze would be proposed, attracting a £3 million grant from the Government.

123.3 Councillor Mitchell stated that the report did not provide any new information and was concerned that the proposals did not reflect the new structure of the council. She made the following comments in relation to the proposals:

- Cost cutting and job losses were alluded to in the report, but not clearly identified.
- Proposals in relation to Brightstart Nursery were misleading and had been published prior to the completion of the consultation period.
- Services for children and young people would be significantly affected; council-run youth centres should be protected and cuts to youth offending services should be reconsidered.
- The Communications Team had identified savings of £160,000 had been identified, but no detail had been provided. The team was also recruiting a new Head of Press despite a recruitment freeze.

Councillor Mitchell stated that the proposals were based on assumptions and that further detail was required.

- 123.4 The Chairman advised that it would have been irresponsible to formulate a budget until details of the financial settlement were received from Government. She explained that the Director of Finance had advised the Cabinet that it was appropriate to follow the directorate structure for the forthcoming budget. She added that the council was committed to ensuring youth services were delivered in best possible way.
- 123.5 Councillor Young stated that the move to strategic commissioning would result in budget savings through increased joint working and that vacancies would be managed to prevent job losses, which would only be a last resort.
- 123.6 Councillor Kitcat thanked officers for providing a report, despite the current uncertainty. He echoed Councillor Mitchell's concerns in relation to Brightstart Nursery and stated that job losses would follow from the reduction in transport projects. He was also concerned that the personalisation agenda would deliver the savings proposed in Adult Social Care.
- 123.7 In response to comments from Councillor Kitcat, the Chairman advised that the council must be careful about make significant savings within Culture & Enterprise, not only because of the effect on the council's revenue, but on the whole of the city's economy.
- 123.8 Councillor Theobald stated that it was important not to worry staff and the public unnecessarily before the financial settlement was received. He invited the Opposition Groups to put forward alternative savings suggestions so that the choices could be debated at Budget Council in March.
- 123.9 In response to comments about Brightstart Nursery, the Director of Finance confirmed no decision would be made by the Cabinet at this stage; the report contained initial budget strategies only and those proposals would change following receipt of further financial information. Only Full Council had the authority to agree the budget following formal recommendation from the Cabinet in the New Year.
- 123.10 Councillor Watkins stated that he would comment further once the final proposals were published, but raised concerns over the effect of the council structural arrangements on the budget process and advised that Members must play a role in monitoring it.
- 123.11 Councillor Fallon-Khan reported that the Administration had prioritised financial responsibility, achieving savings of £10 million in each of the last three years and being awarded 4 stars by the Audit Commission without burdening taxpayers and that approach would continue.
- 123.12 Councillor Norman advised that work on the personalisation agenda was continuing and that savings would be realised through a multitude of measures and in conjunction with the Value for Money Programme.
- 123.13 In response to comments from Councillor Kitcat, Councillor Young explained that the first two rounds of the Value for Money Programme focussed on identifying quick and easy savings; the next round would focus on harder to reach savings in service areas that had not yet been targeted.

123.14 **RESOLVED** - That, having considered the information and the reasons set out in the report, the Cabinet accepted the following recommendations:

- (1) That the high level assessment of the implications of the CSR on the national funding position for local government as set out in paras 3.1-3.6 be noted.
- (2) That it be noted that an addendum to the report setting out the anticipated resources available to the Council was not published because the Local Government Finance Settlement was not issued prior to 9 December 2010.
- (3) That the principles on which the General Fund Revenue Budget for 2011/12 is being prepared as set out in para 3.12 be considered and agreed.
- (4) That the proposed approach for using reserves as part of a balanced financial strategy to deal with the Council's uniquely challenging financial position for 2011/12 as set out in para 3.17 be considered and agreed.
- (5) That the initial budget strategies for each service, developed on the basis of the original financial planning assumptions as set out in Appendix 2, be considered and noted.
- (6) That it be noted that those outline budget strategies will be subject to significant revision and update once the Council's resource position is more clearly understood.

