

**Subject:** **General Fund Revenue Budget & Council Tax 2013/14  
- Extract from the Proceedings of the Policy &  
Resources Committee Meeting held on the 14  
February 2013**

**Date of Meeting:** **28 February 2013**

**Report of:** **Monitoring Officer**

**Contact Officer:** Name: **Mark Wall** **Tel: 29-1006**

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**Wards Affected:** All

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

To receive the item referred from the Policy & Resources Committee for approval:

**Recommendation:**

- (1) That subject to the recommendation (3) below, the 2013/14 General Fund Revenue Budget proposals contained in the body of the report be approved including:
- A 1.96% increase in the Brighton & Hove element of the council tax;
  - The 2013/14 budget allocations to services as set out in appendix 1;
  - The council's net General Fund budget requirement for 2013/14 of £228.1m;
  - The reinvestments as set out in paragraph;
  - The budget savings package as set out in appendix 4;
  - The contingency budget of £6.0m as set out in table 6;
  - The reserves allocations as set out in paragraph and table 4;
  - The borrowing limit for the year commencing 1 April 2013 of £371m;
  - The annual Minimum Revenue Provision statement as set out in appendix 9
  - The Prudential Indicators as set out in appendix 10 to this report;
  - The proposed responses to the scrutiny recommendations as set out in appendix 14.

- (2) That the revised Medium Term Financial Strategy budget and resource projections for 2013/14 to 2018/19 as set out in appendix 7 to the report be noted; and
- (3) That it be noted that supplementary information needed to set the overall council tax would be provided for the budget setting Council as listed in paragraph 4.5 of the report.

## POLICY & RESOURCES COMMITTEE

4.00 pm 14 February 2013  
COUNCIL CHAMBER, HOVE TOWN HALL

### DRAFT MINUTES

**Present:** Councillor J Kitcat (Chair) Councillors Littman (Deputy Chair), G Theobald (Opposition Spokesperson), Hamilton, Jarrett, Mitchell (Opposition Spokesperson), Peltzer Dunn, Shanks, Wealls and West.

### PART ONE

#### 142. GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2013-14

- 142.1 The Director of Finance introduced the report which set out the final proposals for the General Fund Revenue Budget and Council Tax for 2013/14. She stated that it took into account feedback and evidence received through the consultation process and set out the principles on which the budget had been prepared. She also noted that it took account of the latest information which had only recently been received from the Government, along with the final settlement on the 11<sup>th</sup> February.
- 142.2 Councillor Littman welcomed the report and stated that the budget had occupied the minds of many people over the last year and the lateness of information from the Government had not helped in bringing the proposals forward. He wished to thank the officers involved in putting the report together and for their support and advice during the budget setting process. He noted that budgetary pressures were expected to continue with further cuts required in the years ahead and the recommended council tax increase of 1.96% was required to help support the provision of services. He also noted that the council now faced a further pressure of around £7m due to changes in Business Rates and local authorities being required to meet the costs of appeals.
- 142.3 The Chair stated that the consultation process had been very useful and had built on the previous years with more people responding and scrutiny and the Members

Budget Review Group taking an active role in reviewing the proposals. He stated that the 1.96% council tax increase would off-set the impact of the cuts for people across the city and noted that support to various advice services was being maintained, which was crucial in the current economic climate. The mid-term financial strategy predicted further savings of between £20-25m year on year up to 2020, which implied that the council would need to be virtually self-sufficient by that time and meant further work, was required to enable the savings to be achieved.

- 142.4 Councillor Mitchell noted the report and thanked the offices for their work and support in regard to the various amendments that the Labour & Co-operative Group would be submitting at the Budget Council meeting on the 28<sup>th</sup> February. She welcomed the £300k support identified for advice support and the inclusion of the corporate plan commitments alongside the budget proposals. In regard to the better bus project she queried whether it would result in parking being removed along Eastern Road, and in relation to the communal bins recycling in the city centre, she noted that the Environment & Sustainability Committee had approved a consultation exercise, but the report suggested that a decision had been made and therefore was the consultation simply on the siting of the bins.
- 142.5 The Strategic Director, Place stated that the better bus scheme would not result in the removal of the parking along Eastern Road and that the consultation exercise was on the proposal to have communal bin recycling in the city centre. Should the consultation result in a negative response then the scheme would not be implemented or may require amending to take account of views expressed.
- 142.6 Councillor West stated that over 27,000 households were being consulted and noted that the pilot scheme had been positively welcomed and he hoped that it would be taken forward, however it would depend on the outcome of the consultation.
- 142.7 Councillor G. Theobald noted the report and stated that the Conservative Group would be voting against the recommendations as they believed the council tax should be frozen and the government grant accepted. The council was effectively turning down £1.2m of support and this should be accepted and used to support the budget.
- 142.8 The Chair stated that the implications of a council tax freeze needed to be taken into consideration as they would permanently undermine the council's financial base and all future council tax increases would effectively be worth less. He also noted that a number of other leading authorities had recognised this fact and chosen not to freeze council tax as a result.
- 142.9 Councillor Wealls queried whether structure of the budget report meant that all the savings identified had been mapped out and whether any of the budget lines had a zero change which was shown. He was concerned that in looking at alternative savings proposals the opposition groups were able to identify where the resources were allocated.
- 142.10 The Director of Finance stated that the council produced a budget book that was available on-line and listed the full budget in detail. She also noted that the question had been raised as part of the scrutiny process and officers had offered to review how the budget information was presented for next year. She stated that the report before the committee presented the savings that were being proposed.

- 142.11 Councillor West noted that two opposition groups were not prepared to outline their positions in regard to the budget proposals at this point and suggested that it had been an open and transparent process, involving more people than before. He believed that there had been a well managed approach and noted that the value for money exercise was outperforming its objectives and hoped that the budget could be taken forward and be supported by the council as a whole.
- 142.12 Councillor Jarrett stated that the council tax increase enabled services to be maintained and questioned whether a freeze would enable a similar level of support and noted that to date no alternative proposals had been put forward by the opposition group. If the council tax was not increased it would result in the council falling behind in terms of revenue generation.
- 142.13 Councillor Hamilton noted that the local government settlement was around £10.7m less than the year before and that it was for the Administration to put forward a budget and for the opposition groups to then consider the position and look at alternative options which are put forward at the Budget Council meeting.
- 142.14 The Chair noted the comments and stated that he believed it had been the biggest and most complex budget setting process to date, with changes in welfare reforms, business rates and financial settlements. He therefore wished to place on record the Committee's thanks and appreciation of the work undertaken by officers to enable the budget report to come forward. He then put the recommendations to the vote.
- 142.15 **RESOLVED TO RECOMMEND:**
- (1) That subject to the recommendation (3) below, the 2013/14 General Fund Revenue Budget proposals contained in the body of the report be approved including:
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