



**Brighton & Hove
City Council**

BUDGET COUNCIL ADDENDUM

4.30PM, THURSDAY, 23 FEBRUARY 2012

COUNCIL CHAMBER, BRIGHTON TOWN HALL

ADDENDUM

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GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2011/12

Conservative Group Amendments

Amendment 1

It is proposed that the following additional savings are made in the General Fund revenue budget for 2012/13:

- To bring forward the 2013/14 saving of £0.228m in the Human Resources budget as set out on page 153 of the agenda. The part year effect of the saving is £0.057m in 2012/13 as the proposal will require a lead in time of about 9 months thereby requiring £0.171m reserves to meet the difference between the full and part year impact.
- To reduce the decentralised training and development budgets by 10% generating a saving of £0.056m.
- To cease the publication of City News and reduce the Communications budget by £0.052m in a full year. The part year effect of the saving is £0.039m in 2012/13 as the proposal will require a lead in time of about 3 months thereby requiring £0.013m reserves to meet the difference between the full and part year impact.
- To reduce the Communications budget by £0.044m in a full year from the budget for support for events marketing and seek to provide the support in other ways. The part year effect of the saving is £0.033m in 2012/13 as the proposal will require an estimated lead in time of 3 months thereby requiring £0.011m reserves to meet the difference between the full and part year impact.
- To bring forward the 2013/14 saving of £0.250m in management and administration set out on page 177 of the agenda. The part year effect of the saving is £0.125m in 2012/13 as the proposal will require a lead in time of about 6 months thereby requiring £0.125m reserves to meet the difference between the full and part year impact.
- To remove the additional funding for part of the sustainability team of £0.150m set out in paragraph 3.35 on page 16 of the agenda. The core team will remain unaffected.
- To keep the downland management contract with the existing provider for 6 months beyond the 1 April 2012 whilst a new contract is tendered and procured generating a saving of £0.050m in the relevant Resources and Finance budgets.

- To allocate £0.150m of the second tranche of the New Homes Bonus money to support the General Fund Revenue budget rather than housing initiatives set out in paragraph 3.17 on page 10 of the agenda where there are not yet firm commitments for this additional investment.
- This proposal retains £0.050m in officer time to undertake additional private sector work to bring back long term empty private sector properties into use and meet any costs that cannot be recovered from private sector landlords.
- To switch the funding arrangements for the Private Sector Renewal Grants capital programme of £1.500m and part of the funding for Woodvale cremators of £0.081m from borrowing to revenue reserves, thereby generating an ongoing saving of £0.207m in the debt financing budget. This proposal requires £1.581m of revenue reserves to reduce borrowing by the same amount.

The savings proposals set out above require a total of £1.901m revenue reserves. It is proposed that these are generated by:

- Reallocating the £1.217m contribution to the Customer Access and Accommodation reserve set out in paragraph 3.25 starting on page 13 of the agenda.
- Using the uncommitted balance of £0.090m on the unringfenced Seaside Towns grant.
- Reallocating £0.250m from the single status reserve generated from strike pay deductions as shown on page 43 of the agenda thereby maintaining a balance of £5.933m in the reserve.
- Reallocating £0.344m of the resources set aside to support the implementation of a local council tax benefit scheme from April 2013 set out in paragraph 3.25 starting on page 13 of the agenda.

The proposals will generate ongoing savings of £1.187m. It is proposed that these resources will be used as follows:

- £1.187m to reduce the council tax increase in 2012/13 so that the council qualifies for £2.986m 2012/13 council tax freeze grant to enable a freeze in the level of council tax for 2012/13.

The proposals in this amendment will increase the savings gap for 2013/14 by £3.630m due to the ending of the 2012/13 council tax freeze grant and because some 2013/14 savings have been brought forward into 2012/13.

Conservative Group Amendments

Amendment 2

It is proposed that the following additional savings are made in the General Fund revenue budget for 2012/13:

- Reduce the budget for de-centralised training and development budgets by a further 5% generating a saving of £0.028m.
- Generate additional income through the Communications team by undertaking joint working with other local authorities, creating a saving of £0.030m.

It is proposed to allocate the £0.058m generated from the above and from using £0.050m of the resources set aside to support the implementation of a local council tax benefit scheme from April 2013 set out in paragraph 3.25 starting on page 13 of the agenda to the following:

- £0.040m for Parking & Traffic to reduce the proposed annual charge for business permits from £300 (included as part of the savings on page 119 of the agenda) to £200 in 2012/13 and £250 plus inflation in 2013/14. However the council will seek additional savings in 2013/14 in order to keep the charge at £200 plus inflation for 2013/14. The quarterly charge for both years will be reduced in proportion. This proposal requires the use of £0.020m recurrent resources and £0.020m one off resources.
- £0.068m for Parking & Traffic to reduce the proposed annual charge for Traders permits from £600 (included as part of the savings on page 119 of the agenda) to £400 in 2012/13 and £500 plus inflation in 2013/14. This proposal also increases the number of permits issued by releasing 40% of the waiting list and allows for the consequent loss in on-street parking income. However additional savings will be sought in 2013/14 in order to keep the charge at £400 plus inflation for 2013/14. The quarterly charge for both years will be reduced in proportion. This proposal requires the use of £0.038m recurrent resources and £0.030m one off resources.

Conservative Group Amendments

Amendment 3

It is proposed to reduce the budget in Human Resources for council funded union officials by £0.083m per annum. This would leave £0.063m per annum for council funded union officials in the budget, the existing time off arrangements for staff undertaking union duties from services across the council and the temporary funding for work in conjunction with single status.

It is proposed to allocate the £0.083m generated above to the following:

- £0.013m for Library Services to reverse part of the saving identified on page 166 of the agenda in order to restore 0.5 day's opening to both Hangleton and Portslade libraries.
- £0.023m for City Parks to reverse part of the saving identified on page 121 of the agenda in order to reduce the annual allotment fee to £36 for a 5 pole plot and £72 for a 10 pole plot rather than the proposed fees of £44.20 and £88.40 respectively in 2012/13.
- £0.012m to reverse part of the saving identified on page 122 of the agenda in order to maintain the tree donation charge at current level of £144 rather than the proposed charge of £288.
- £0.035m for City Clean to reverse part of the saving identified on page 120 of the agenda in order to maintain current opening arrangements for seafront toilets at Black Rock, West Pier, King Alfred and King's Esplanade.

Conservative Group Amendments

Amendment 4

It is proposed to close Brightstart Nursery from 1 September 2012 generating a full year saving of £0.078m. The part year saving in 2012/13 will be £0.042m requiring reserves of £0.136m to cover both a provision for possible redundancy and redeployment costs and the difference between the full and part year savings. To meet this possible requirement it is proposed to reallocate £0.136m of the resources set aside to support the implementation of a local council tax benefit scheme from April 2013 set out in paragraph 3.25 starting on page 13 of the agenda. An Equalities Impact Assessment will be prepared before this proposal is implemented.

It is proposed to allocate the £0.078m generated above to the following:

- £0.030m for the Community and Voluntary Sector Forum to support their work with the children and young people's network.
- £0.048m to the Youth Service to reverse part of the proposed savings in that service set out on page 95 of the agenda.

Conservative Group Amendments

Amendment 5

It is proposed to remove the remaining budget in Human Resources for council funded union officials of £0.063m per annum. This would leave provision for the existing time off arrangements for staff undertaking union duties from services across the council and the temporary funding for work in conjunction with single status.

It is proposed to allocate the £0.063m generated above to the Parking & Traffic budget in order to reinstate a 3 hour charge of £9.50 during the week and £12 at weekends at the Lanes Car Park instead of going straight to the 4 hour charges of £12 weekday and £15 weekend from the 2 hour rates.

Comments of the Chief Finance Officer:

There is a risk that the Council will not be able to discharge its legal duties under the Trade Union and Labour Relations (Consolidation) Act 1992 without some funding of this nature and that costs would therefore simply be displaced to other budgets making the saving undeliverable. In this circumstance the council would need to make compensating savings elsewhere to offset the costs.

Conservative Group Amendments

Amendment 6

It is proposed not to sell the vehicle license plate CD1 and to switch the funding for voluntary and community organisations from the sale of this license plate to revenue reserves.

This proposal requires one off resources of £0.120m and it is proposed to reallocate £0.120m of the resources set aside to support the implementation of a local council tax benefit scheme from April 2013 set out in paragraph 3.25 starting on page 13 of the agenda.

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2012/13

Labour & Co-operative Group Amendment

It is proposed that the following additional savings are made in the General Fund revenue budget for 2012/13:

- To bring forward the 2013/14 saving of £0.228m in the Human Resources budget as set out on page 153 of the agenda as part of further ongoing efficiency improvements in this service. The part year effect of the saving is £0.057m in 2012/13 as the proposal will require a lead in time of about 9 months thereby requiring £0.171m reserves to meet the difference between the full and part year impact.
- To reduce the decentralised training and development budgets by 10% generating a saving of £0.056m.
- To cease the publication of City News and reduce the Communications budget by £0.052m in a full year. The part year effect of the saving is £0.039m in 2012/13 as the proposal will require a lead in time of about 3 months thereby requiring £0.013m reserves to meet the difference between the full and part year impact.
- To reduce the support for events marketing and seek to provide the support in other ways reducing the Communications budget by £0.044m in a full year. The part year effect of the saving is £0.033m in 2012/13 as the proposal will require an estimated lead in time of 3 months thereby requiring £0.011m reserves to meet the difference between the full and part year impact.
- To bring forward the 2013/14 saving of £0.250m in management and administration as set out on page 177 of the agenda as part of the implementation of a senior management review to generate further savings for 2013/14 and beyond. The part year effect of the saving is £0.125m in 2012/13 as the proposal will require a lead in time of about 6 months thereby requiring £0.125m reserves to meet the difference between the full and part year impact.
- To remove the funding for part of the sustainability team of £0.150m set out in paragraph 3.35 on page 16 of the agenda and undertake a review and consolidation of the sustainability policy work carried out across the council.

- To keep the downland management contract with the existing provider for 6 months beyond the 1 April 2012 whilst a new contract is tendered and procured generating a saving of £0.050m in the relevant Resources and Finance budgets.
- To bring forward the 2013/14 saving of £0.005m in the Mayoral budget as set out on page 149 of the agenda.
- To bring forward the 2013/14 saving of £0.010m in the consultancy and supplies and services budgets of the Strategic Leadership Board / Chief Executive as set out on page 154 of the agenda.
- To bring forward the 2013/14 saving of £0.035m in the Asylum Seekers budget as set out on page 104 of the agenda. The number of unaccompanied asylum seeker children is currently below the forecast in the 2012/13 budget and based on existing and recent trends, both nationally and locally, it is not anticipated that there will be any significant increase in the number of children currently supported.
- To reduce the parking budget by £0.025m leaving £0.055m to support local community events by meeting the costs of any required parking suspensions. This proposal will potentially restrict the number of events that might be supported.
- To allocate £0.200m of the New Homes Bonus money to support the General Fund Revenue budget rather than the housing initiatives as set out in paragraph 3.17 on page 10 of the agenda.
- To switch part of the funding for the Private Sector Renewal Grants capital programme from borrowing to revenue reserves thereby generating an ongoing saving of £0.132m in the debt financing budget. This proposal will not affect the service and it requires £0.987m of revenue reserves to reduce borrowing by the same amount.

The savings proposals set out above require a total of £1.307m revenue reserves. It is proposed that these are generated by:

- Reallocating the £1.217m contribution to the Customer Access and Accommodation reserve set out in paragraph 3.25 starting on page 13 of the agenda.
- Using the uncommitted balance of £0.090m on the unringfenced Seaside Towns grant.

The proposals will generate ongoing savings of £1.237m. It is proposed that these resources will be used as follows:

- £1.187m to reduce the council tax increase in 2012/13 so that the council qualifies for £2.986m 2012/13 council tax freeze grant to enable a freeze in the level of council tax for 2012/13.
- £0.025m to help fund the annual running costs of the mobile library service as a contribution towards securing its future as a combined mobile library and community advice outreach service. To work with the voluntary sector and seek contributions from partner agencies to fully fund the project. It is also proposed to amend the 2012/13 capital investment programme by allocating £0.120m from the Local Transport Plan grant to purchase a new mobile library subject to the identification of the full running costs as set out above.
- £0.025m for City Parks to reverse part of the saving identified on page 121 of the agenda in order to reduce the standard allotment fee to £35 rather than the proposed £44.20. It is also proposed that further savings of £0.031m should be identified in the 2013/14 budget to keep the fee at £35 plus inflation in 2013/14.

The proposals in this amendment will increase the savings gap for 2013/14 by £3.661m due to the ending of the 2012/13 council tax freeze grant and because some 2013/14 savings have been brought forward into 2012/13.

23 February 2012

Budget Council 23 February 2012: Setting a lawful budget for 2012/13

Introduction

Under section 30 (6) of the Local Government Act 1992 the Council has a duty to set the **Council tax by 11 March 2012**. A failure to set the tax then does not in itself invalidate the tax demands but it has other adverse consequences including the potential loss of income to the Council.

The legal obligations for setting the budget mean in practical terms that:

- Members should not put forward proposals that would mean setting an unlawful budget and need to take officer advice in particular from legal and finance to ensure that proposals are in order;
- although the Council corporately sets the budget the Council acts through Members collectively, each and every Member is therefore jointly and severally responsible for the setting of the budget; and
- wherever possible Members are expected to facilitate rather than frustrate the setting of a lawful budget.

Budget Council 23 February 2012

To help Members at Council on 23 February 2012 the procedure to be followed in respect of the Budget debate, (subject to Council approval) is set out below:-

67. Declarations of Interest.

68. Mayor's urgent communications, including the following:

The Council will be asked to agree that Council Procedural Rules be suspended in accordance with council procedural rule 1.7 to the extent that it is necessary to enable the business of the meeting to be dealt with as set out in agenda items 69-72 below.

69. General Fund Revenue Budget & Council Tax 2012/13

70. Supplementary Financial Information for Budget Council

71. Capital Resources & Capital Investment Programme 2012/13

72. Housing Revenue Account Budget 2012/13

Administration's Budget Proposal:

- (a) The **Mayor** will invite Councillor Jason Kitcat and Councillor Randall to make their presentation to the Council and to move and second the Cabinet's budget. Councillor Kitcat will have unlimited time and Councillor Randall will have 5 minutes.

Conservative Group's Amendments Proposal:

- (b) The **Mayor** will invite Councillor Ann Norman, and Councillor Geoffrey Theobald to respond and move their six amendments. Councillor Norman will have unlimited time to move the amendments and Councillor Theobald will have 5 minutes within which to second the amendments and to refer to the prevailing financial conditions in relation to the budget.

[The Chief Finance Officer / Monitoring Officer shall have discretion at any stage to remind Members of the proposed substantive budget motion and its implications following acceptance of any amendments.]

Labour & Co-operative Group's Amendments Proposal:

- (d) The **Mayor** will invite Councillor Mitchell and Councillor Hamilton to respond and move their amendment. Councillor Mitchell will have unlimited time and Councillor Hamilton will have 5 minutes.

[The Chief Finance Officer / Monitoring Officer shall have discretion at any stage to remind Members of the proposed substantive budget motion and its implications following acceptance of any amendments.]

Council Debate:

- (e) The **Mayor** will then allow Councillors to debate the proposed budget and the amendments.

NOTE: Speakers are limited to five minutes each unless otherwise specified or extensions granted.

Administration's Right of Reply:

- (f) At the conclusion of the debate the **Mayor** will invite Councillor Jason Kitcat to give his final right of reply.

Voting on Amendments:

- (g) The Mayor will then put the amendments to the vote (up to a maximum of 6 separate votes) in the following order:
- (i) The Conservative Group's amendments;
 - (ii) The Labour & Co-operative Group's amendment.

Additional guidance note regarding voting on amendments:

1. Some of the proposed amendments use the same money for different purposes. Therefore, if any amendment is voted through subsequent amendments may need to be changed;
2. The following amendments do not need to be changed regardless of the voting outcomes:
 - Conservative amendments 1, 2, 3, 4, 5 and 6;
3. The following amendments therefore may need to be changed:
 - Labour & Co-operative Amendment if the Conservative Amendment No.1 is carried.

During the voting on the amendments, if an amendment needs to be changed, then there may need to be a short adjournment whilst further clarification is prepared by officers for Members.

The Chief Finance Officer / Monitoring Officer may advise the Mayor of the need for a short adjournment, in order to adjust the budget model in light of any amendments just agreed. The Budget resolutions shall not be treated as concluded until any consequential adjustments are agreed.

Substantive Votes:

- (h) The **Mayor** will put the substantive motions (as amended) (if amended) to the meeting as follows:
- | | |
|---------|--|
| Item 69 | General Fund Revenue Budget & Council Tax 2012/13 recommendations (1) – (3) together with; |
| Item 70 | Supplementary Financial Information for Budget Council recommendation (1); |
| Item 71 | Capital Resources and Capital Investment Programme 2012/13 recommendations (i)-(vi); |
| Item 72 | Housing Revenue Account Budget 2012/13 recommendations (1)-(5). |

The Chief Finance Officer / Monitoring Officer may at any stage advise Members, especially if there is a need for consequential adjustment to parts of the budget resulting from the separate votes under 69 & 70, 71, and 72.

Should Council fail to set the Council Tax on the 23rd February 2012 there is one significant practical implication; the contractor who prints and sends out the Council Tax bills has a slot booked to process the city council's bills on the 2nd March and a delay in setting the Budget before then would significantly affect this process.

Abraham Ghebre-Ghiorghis
Head of Law
(Monitoring Officer)

Catherine Vaughan
Director of Finance
(Chief Finance Officer)