



**Brighton & Hove
City Council**

BUDGET COUNCIL ADDENDUM

4.30PM, THURSDAY, 28 FEBRUARY 2013

COUNCIL CHAMBER, BRIGHTON TOWN HALL

ADDENDUM

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Note:

- (i) A Guidance Note on Setting a Lawful Budget has been included with the agenda papers, (pages 241 - 242), which, along with the protocol attached, will be moved by the Mayor at the meeting for approval.

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2013/14

Conservative Group Amendments

Amendment 1

It is proposed that the following additional savings are made in the General Fund revenue budget for 2013/14:

- **To reduce Communications Team budget of £0.784m by the service pressure funding of £0.050m set out in the Resources & Finance budget summary on page 97 of the agenda.**

Chief Finance Officer comments:

This would require a reprioritisation of external communications and marketing spend and a reduction in the response times to media and public enquiries. The service has made staffing savings to contribute to the existing Management & Administration savings targets and is already reliant on one off funding for certain pieces of work such as communicating changes from welfare reform, communication with staff on pay modernisation and support for City Deal.

- **To reduce the budget for the European Team by £0.025m in 2013/14 and £0.050m in a full year. A budget of £0.088m would remain on an ongoing basis.**

Chief Finance Officer comments:

Contributions from other organisations who use the European team's services would be sought and if this were not successful the saving would equate to a reduction of 1.5 fte posts.

- **To reduce the budget for Scrutiny of £0.205m by £0.050m. This would result in approximately 20% less scrutiny activity.**
- **To reduce the Human Resources (HR) and Organisational Development budget of £3.782m by £0.050m.**

Chief Finance Officer comments:

HR have identified £0.228m savings to meet their brought forward 2013/14 savings targets. These include a reduction of 6.1 fte posts and a reduction in health and safety and training budgets of £0.050m. They also have an underlying budget pressure of over £0.300m which they have plans to fund through a further 4.6 fte staffing reductions (£0.135m) through the Voluntary Severance scheme and the remainder from

training and development and health and safety budgets. If HR were to meet in full its indicative share of the cross council service redesign savings targets it would need to find a further £0.077m bringing the total savings requirement in one year to over £0.600m. It is considered extremely unlikely that this would be deliverable at this point in time without a serious impact on effective organisational operation. A further £0.050m saving would inevitably exacerbate this further. No Equalities Impact Assessment has been undertaken on this proposal at this stage and in particular the cumulative effect of all of these savings. The service will still be dependent on short term funding to support pay modernisation and the additional workload generated by auto enrolment to the Pension Fund and new regulations for reporting PAYE in real time to HMRC.

- **To reduce the recurrent council tax reduction scheme discretionary fund shown in paragraph 3.37 on page 19 of the agenda by £0.100m. This would still leave £0.100m recurrent funding and £0.100m non-recurrent funding available to support the Council Tax Discretionary Fund. The call on these funds may be slightly lower due to the proposed freeze on council tax.**

Chief Finance Officer comments:

An Equalities Impact Assessment was undertaken on a lower level of discretionary funds when the Council Tax Reduction Scheme was designed.

- **To increase the target saving for the Voluntary Severance scheme from £3m to £3.5m. It will require an additional £0.5m in one-off resources to meet the estimated additional severance costs and to cover the budget up to the end of May when the posts will be deleted.**

Chief Finance Officer comments:

The Voluntary Severance scheme currently assumes approximately 100 fte reductions. This would be approximately a further 18 posts. The savings will only be realised if it is possible to achieve service redesign on this scale and if there are suitable numbers of applicants who meet the agreed criteria. This saving will be incorporated into the existing process for Equalities Impact Assessment on these proposals.

The savings proposals set out above require £0.525m revenue reserves to fund the part year saving in the European Team and the one-off resources needed for the expansion of the Voluntary Severance scheme. It is proposed that these are generated by:

- Borrowing an additional £0.525m to fund the 2013/14 General Fund Capital Investment Programme releasing an equivalent amount in general reserves.

The proposals above will generate ongoing savings of £0.800m. It is proposed that these resources will be used as follows:

- £0.763m to freeze the council tax for 2013/14 ensuring that the council qualifies for £1.219m council tax freeze grant from the Government.
- £0.037m to cover the capital financing costs associated with the £0.525m additional borrowing.

Amendment 2

It is proposed that the following additional savings are made in the General Fund revenue budget for 2013/14:

- **To reduce the Travellers Service budget of £0.571m by the additional funding of £0.050m set out in the service pressure investment area table on page 53 of the agenda.**

Chief Finance Officer comments:

There is a strong likelihood that the Travellers Service would need to incur costs above the agreed budget for security reasons as in previous years. The level will depend on the quantity of unlawful encampments.

It is proposed that these resources will be used as follows:

- Increase the funding for the Music Service by £0.050m.

Amendment 3

It is proposed that the following additional saving is made in the General Fund revenue budget for 2013/14:

- **To reduce the budget in Human Resources for council funded union officials by 50% or £0.072m per annum.**

Chief Finance Officer comments:

This would leave £0.072m of the centrally funded Trade Union support budget to be retained in order to progress pay modernisation discussions, plus the existing time off arrangements for staff undertaking union duties from services across the council.

- **To reduce the decentralised training and development budgets across the council by 5% generating a saving of £0.028m.**

Chief Finance Officer comments:

This would be in addition to the savings in training budgets already identified in the Human Resources budget saving in amendment 1.

- **To reduce the £0.750m unallocated investment in preventative services which is part of the £1.2m extra funding from the Government to the National Health Service for adult social care shown in paragraph 3.40 page 19 of the agenda by £0.017m.**

Chief Finance Officer comments:

This would require negotiation with health partners to agree a revised split of NHS funding for Social Care to use more money to protect existing services and to reduce the new investment in preventative services.

It is proposed that these resources are used as follows:

- £0.117m to reduce the cost of Business and Trader parking permits. The proposed charges are shown in the table below.

	Per Annum	3 months	Low Emission Per Annum	Low Emission 3 months
Traders				
- Current	£600	£160	£300	£80
- Proposed	£520	£140	£260	£70
Business				
- Current	£300	£85	£150	£42.50
- Proposed	£260	£75	£130	£37.50

Amendment 4

It is proposed that the following additional savings are made in the General Fund revenue budget for 2013/14:

- **To reduce the £0.750m unallocated investment in preventative services which is part of the £1.2m extra funding from the Government to the National Health Service for adult social care shown in paragraph 3.40 page 19 of the agenda by a further £0.032m making the reduction £0.049m if amendment 3 is accepted.**

Chief Finance Officer comments:

This would require negotiation with health partners to agree a revised split of NHS funding for Social Care to use more money to protect existing services and to reduce the new investment in preventative services.

- **To combine the Transport and Environment Committees resulting in a saving of £0.015m in the Democratic Services budget. The savings would arise from lower committee support and administrative costs.**

It is proposed that these resources will be used as follows:

- £0.047m to reverse the commissioning saving freezing discretionary grants to the Community and Voluntary sector at 2012/13 levels set out on page 89 of the agenda and provide for a 3% increase.

Amendment 5

It is proposed that the following additional savings are made in the General Fund revenue budget for 2013/14:

- **To reduce the £0.750m unallocated investment in preventative services which is part of the £1.2m extra funding from the Government to the National Health Service for adult social care shown in paragraph 3.40 page 19 of the agenda by a further £0.031m making the reduction £0.080m if amendments 3 and 4 are accepted.**

Chief Finance Officer comments:

This would require negotiation with health partners to agree a revised split of NHS funding for Social Care to use more money to protect existing services and to reduce the new investment in preventative services.

It is proposed that these resources will be used as follows:

- £0.031m to extend the opening hours for Norton Road (opposite Hove Town Hall) toilets to 7 days per week instead of weekends and bank holidays only and improve signage.

Amendment 6

It is proposed that the following additional savings are made in the General Fund revenue budget for 2013/14:

- **To reduce the £0.750m unallocated investment in preventative services which is part of the £1.2m extra funding from the Government to the National Health Service for adult social care shown in paragraph 3.40 page 19 of the agenda by a further £0.020m making the reduction £0.100m if amendments 3, 4 and 5 are accepted.**

Chief Finance Officer comments:

This would require negotiation with health partners to agree a revised split of NHS funding for Social Care to use more money to protect existing services and to reduce the new investment in preventative services.

It is proposed that these resources will be used as follows:

- **To establish a prize of £0.020m to be awarded to one or more secondary schools delivering the best value added for pupil performance. This is expected to deliver a focus on improved pupil attainment across the ability spectrum and improve parents' and carers' focus on this and other measures of school performance when choosing a secondary school for their children.**

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2013/14

Labour & Co-operative Group Amendments

Amendment 1

It is proposed that the following additional savings are made in the General Fund revenue budget for 2013/14:

- **To reduce by £0.040m the additional funding for the Travellers Service set out in the service pressure investment area table on page 53 of the agenda.**

Chief Finance Officer comments:

There is a strong likelihood that the Travellers Service would need to incur costs above the agreed budget for security reasons as in previous years. The level will depend on the quantity of unlawful encampments.

- **To reduce by £0.050m the service pressure funding for the Communications Team set out in the Resources & Finance budget summary on page 97 of the agenda.**

Chief Finance Officer comments:

This would require a reprioritisation of external communications and marketing spend and a reduction in the response times to media and public enquiries. The service has made staffing savings to contribute to the existing Management & Administration savings targets and is already reliant on one off funding for certain pieces of work such as communicating changes from welfare reform, communication with staff on pay modernisation and support for City Deal.

The proposals above will generate ongoing savings of £0.090m. It is proposed that these resources will be used as follows:

- £0.090m to reverse part of other efficiency gains saving in Children's Centres including the recharges for midwifery services and reducing reception posts as set out on page 64 of the agenda.

Amendment 2

It is proposed that the following additional savings are made in the General Fund revenue budget for 2013/14:

- **To further reduce by £0.010m the additional funding for the Travellers Service set out in the service pressure investment area table on page 53 of the agenda making the total reduction £0.050m if amendment 1 is approved.**

Chief Finance Officer comments:

There is a strong likelihood that the Travellers Service would need to incur costs above the agreed budget for security reasons as in previous years. The level will depend on the quantity of unlawful encampments.

- **To top-slice £0.120m of the £6.349m 2013/14 Local Transport Plan capital grant shown in table 2 on page 204 of the agenda.**

It is proposed that these resources will be used as follows:

- £0.010m plus the funding set aside in the library budget for the enhanced Home Delivery service to be reallocated to run the Mobile Library on a reduced timetable for 3 days a week and £0.120m for the purchase of a new replacement vehicle. This proposal represents option 3 recommended by the Economic Development and Culture Committee in the report to Policy & Resources Committee on 24 January 2013 entitled "Future of the Mobile Library Service".

Amendment 3

It is proposed that the following additional saving is made in the General Fund revenue budget for 2013/14:

- **To reduce the £0.750m investment in preventative services shown in paragraph 3.40 page 19 of the agenda by £0.169m.**

Chief Finance Officer comments:

This would require negotiation with health partners to agree a revised split of NHS funding for Social Care to use more money to protect existing services and to reduce the new investment in preventative services. There is a risk that this may not be acceptable to partners.

It is proposed that these resources will be used as follows:

- £0.150m to reverse the commissioning saving in temporary accommodation budget generated by increased income from private sector leasing and a reduction of spot purchase accommodation set out on page 81 of the agenda.
- £0.019m to reverse the efficiency saving in the preventing homelessness budget set out on page 81 of the agenda.

Amendment 4

It is proposed that the following resource reallocations are made in the General Fund and Housing Revenue Account budgets for 2013/14:

- **To set aside £0.070m of the Welfare and Local Government Funding reform reserve set out on page 115 of the agenda.**
- **To reduce the Housing Revenue Account (HRA) revenue contribution to capital shown in table 1 on page 203 of the agenda by £0.005m thereby reducing the 2013/14 HRA capital investment programme by the same amount.**

The proposals above will generate one-off General Fund resources of £0.070m and one-off HRA resources of £0.005m. It is proposed that these resources will be used as follows:

- £0.070m to appoint an additional full time Welfare Rights officer for 2 years to help cover any additional workload created by national welfare changes.
- £0.005m for Welfare Changes communications to council tenants.

Amendment 5

It is proposed that the following additional saving is made in the General Fund budget for 2013/14:

- **To combine the Transport and Environment Committees resulting in a saving of £0.015m in the Democratic Services budget. The savings would arise from lower committee support and administrative costs.**

It is proposed that these resources will be used as follows:

- £0.015m to reverse part of the other efficiency gains saving in Children's Centre Nurseries set out on page 63 of the agenda to ensure that there is no additional increase in charges for children under 3.

28 February 2013

Budget Council 28 February 2013: Setting a lawful budget for 2013/14

Introduction

Under section 30 (6) of the Local Government Act 1992 the Council has a duty to set the **Council tax by 11 March 2013**. A failure to set the tax by that date 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 their 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 28 February 2013

To help Members at Council on 28 February 2013 the procedure to be followed in respect of the Budget debate, (subject to Council approval) is set out below:-

88. Declarations of Interest.

89. 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 91-94 below.

90. General Fund Revenue Budget & Council Tax 2013/14

91. Supplementary Financial Information for Budget Council

92. Capital Resources & Capital Investment Programme 2013/14

93. Housing Revenue Account Budget 2013/14

Administration's Budget Proposal:

- (a) The **Mayor** will invite Councillor Littman and Councillor Jason Kitcat to make their presentation to the Council and to move and second the Administration's budget. Councillor Littman will have unlimited time to move the Budget and Councillor Kitcat will have 5 minutes within which to second the Budget proposals and to refer to the prevailing financial conditions in relation to the budget.

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:

- (c) (c)The **Mayor** will invite Councillor Mitchell and Councillor Hamilton to respond and move their five amendments. Councillor Mitchell will have unlimited time and Councillor Hamilton 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.]

Council Debate:

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

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

Administration's Right of Reply:

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

Voting on Amendments:

- (f) 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;

Note: The Chief Finance Officer may need to remind Members of the proposed substantive budget motion and its implications following acceptance of any of the amendments

- (ii) The Labour & Co-operative Group's amendments.

Note: The Chief Finance Officer may need to remind Members of the proposed substantive budget motion and its implications following acceptance of any of the amendments.

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;
Labour & Co-operative amendments 4.

3. The following amendments therefore may need to be changed:

Labour & Co-operative amendment 1 if Conservative amendments 1 or 2 are carried.
Labour & Co-operative amendment 2 if Conservative amendment 2 is carried.
Labour & Co-operative amendment 3 if any of the Conservative amendments 3, 4, 5 or 6 are carried.
Labour & Co-operative amendment 5 if Conservative amendment 4 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:

- (g) The **Mayor** will put the substantive motions (as amended) (if amended) to the meeting as follows:

Item 90 General Fund Revenue Budget & Council Tax 2013/14 recommendations (1) – (3) together with;

Item 91 Supplementary Financial Information for Budget Council recommendation (1);

Should the Revenue Budget not be approved at this point, the Chief Finance Officer will need to explain the consequences and the Mayor may call an adjournment.

- (h) The **Mayor** will put the substantive motions (as amended) (if amended) to the meeting as follows:

Item 92 Capital Resources and Capital Investment Programme 2013/14 recommendations (1)-(6);

- (i) The **Mayor** will put the substantive motions (as amended) (if amended) to the meeting as follows:

Item 93 Housing Revenue Account Budget 2013/14 recommendations (1)-(3).

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 90 & 91, 92, and 93.

Should Council fail to set the Council Tax on the 28th February 2013 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)