



**Brighton & Hove
City Council**

BUDGET COUNCIL ADDENDUM

4.30PM, THURSDAY, 23 FEBRUARY 2017

**COUNCIL CHAMBER,
HOVE TOWN HALL**

ADDENDUM

ITEM		Page
77	ADOPTION OF SPECIAL PROCEDURES FOR BUDGET COUNCIL	1 - 10
	Budget procedural notes to be adopted and events diagram (copies attached).	
78	GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2017/18	11 - 26
	Labour & Co-operative Group amendment No.1(copy attached); Conservative Group's amendments No's 1 – 5 (copies attached); Green Group's amendments No's 1 – 2 (copies attached).	
80	CAPITAL RESOURCES AND CAPITAL INVESTMENT PROGRAMME 2017/18	27 - 28
	Green Group amendment No.3 (copy attached).	
81	HOUSING REVENUE ACCOUNT BUDGET AND INVESTMENT PROGRAMME 2017/18 AND MEDIUM TERM FINANCIAL STRATEGY.	29 - 30
	Conservative Group amendment No.6 (copy attached).	

Note:

A Guidance Note on Setting a Lawful Budget has been included with the Agenda papers (pages 459 – 470) and the procedural notes will be moved by the Mayor at the meeting for approval.

23 February 2017

Budget Council 23 February 2017: Adoption of Special Procedures: Setting a lawful budget for 2017/18

Introduction

Under section 30 (6) of the Local Government Act 1992 the Council has a duty to set the **Council tax by 11 March 2017**. 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.

Before Budget Council

- The Administration's budget will have been worked up including all amendments from Budget Policy, Resources & Growth Committee with full service, financial and legal implications. They will have been incorporated in full into the main papers despatched for Budget Council.
- Other Groups' amendments were also evaluated by finance officers to determine the service, financial and legal implications of implementing those proposals. The proposals will have been held confidential from the other political parties by the finance officers involved and all proposals had to have been **"signed off" by finance officers no later than 12 noon 5 working days before Budget Council. (i.e. by 12 noon Thursday 16th February 2017).**
- Only the Chief Executive and Executive Director for Finance & Resources (with appropriate officers from the finance team) were aware of the full range of amendments being proposed and they would not be shared with any parties until after they had been given to the Group Leaders on the 20th February.

- The Chief Executive shall have a “brokering” role if this would appear to facilitate agreement on particular amendments or proposals.
- The Mayor will refuse to accept any amendment subsequently moved that has not been “signed off” by the Executive Director for Finance & Resources.
- All amendments are shared **at 12noon on Monday 20th February** between the Group Leaders by the Head of Democratic Services.
- There will be a meeting of Group Leaders (attended by the Chief Executive, the Executive Director for Finance & Resources and other relevant officers) **at 4:00 pm on Wednesday 22nd February** with a view to exploring agreement on proposed amendments.
- There will be a second meeting of Group Leaders, with relevant Officers as mentioned above, on **Thursday 23rd February at 10:00 am**, unless the Chief Executive considers that, given any progress made on 22nd February, it is not needed.
- Any variations to the amendments or any new amendments arising from the Leaders meetings shall be limited to grouping and repackaging of amendments or other changes providing that they do not, in the opinion of the Executive Director of Finance & Resources, involve significant costing or evaluation that cannot reasonably be done within the available timescale.

Should Council fail to set the Council Tax on the 23rd February 2017, a further meeting will need to be held prior to 3rd March; and a reserve date of **Tuesday 28th February is being held**. 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 4th March and a delay in setting the Budget before then would significantly affect this process.

Abraham Ghebre-Ghiorghis
Executive Lead for Strategy,
Governance & Law
(Monitoring Officer)

David Kuenssberg
Executive Director for
Finance & Resources
(Chief Finance Officer)

23 February 2017

Brighton & Hove City Council

Budget Council 23 February 2017:**Setting a Lawful Budget for 2017/18****Introduction**

Under section 30 (6) of the Local Government Act 1992 the Council has a duty to set the Council tax before the 11 March 2017. 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. In practical terms this means the Council needs to reach a final position to meet billing deadline requirements before the 8th March 2017.

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.
- The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 impose an obligation on the Council to amend standing orders to require the vote of Members on the budget to be recorded. The votes on the amendments and the substantive budget will be conducted by electronic voting and the individual votes will be reflected in the minutes.

Please also note that the formal council tax resolution will incorporate the following recommendations:

That Council notes:

- 1) That for the avoidance of doubt, all Amendments considered and approved by the council represent resourcing decisions only. Where possible, the necessary lead-in time to undertake statutory and/or other appropriate consultation with staff and/or service users, together with appropriate one-off resources, has been identified in support of each Amendment, however, even where this has not been possible this does not absolve the council from undertaking statutory or other appropriate consultation before proposals can be implemented;
- 2) The Equalities Impact Assessments to cover all budget options and their cumulative effect as set out in Appendices 9, 10 and 14;
- 3) The revised Medium Term Financial Strategy and resource projections for 2017/18 to 2020/21 as set out in Appendix 15.

Budget Council 23 February 2017

To help Members at Council on 23 February 2017 the procedure to be followed in respect of the Budget debate, (subject to Council approval) is set out below:-

75. Declarations of Interest.

76. Mayor's urgent communications:

77. Adoption of Special Procedures

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 78 - 81 below.

78. General Fund Revenue Budget & Council Tax 2017/18

79. Supplementary Financial Information for Budget Council

80. Capital Resources & Capital Investment Programme 2017/18

81. Housing Revenue Account (HRA) Revenue Budget 2017/18

Budget Proposal based on a 1.99% Council Tax Increase with a 3% Precept (Ring-fenced for Adult Social Care):

(a) The **Mayor** will invite **Councillor Morgan** and **Councillor Hamilton** to move and second the Administration's Budget based on a 1.99% Council Tax increase and a 3% precept for Adult Social Care, together with an amendment.

Councillor Morgan will have unlimited time and Councillor Hamilton will have 5 minutes within which to move and second the budget proposals, together with the amendment 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.]

Budget Proposal based on a 1.99% Council Tax Increase with a 3% Precept (Ring-fenced for Adult Social Care) and the Conservative Group's Amendments 1 - 6:

(b) The **Mayor** will invite **Councillor Wealls**, and **Councillor Geoffrey Theobald** to respond and move the Conservative Group's six amendments to the budget proposals.

Councillor Wealls 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.]

Budget Proposal based on a 1.99% Council Tax Increase with a 3% Precept (Ring-fenced for Adult Social Care) and the Green Group's Amendments 1 - 3:

- (c) The **Mayor** will invite **Councillor Sykes** and **Councillor Mac Cafferty** to move and second the Green Group's three amendments to the budget proposals.

Councillor Mac Cafferty will have unlimited time and Councillor Sykes will have 5 minutes within which to move and 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 2017/18 Budget proposals for the General Fund Revenue budget, Capital Resources and Capital Investment Programme and the Housing Revenue Account Revenue budget based on a Council Tax increase of 4.99% (items 78 - 81), and the amendments (as detailed in the addendum papers).

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

[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.]

Administration's Right of Reply:

- (e) At the conclusion of the debate the **Mayor** will invite Councillor **Mitchell** to give a final right of reply on behalf of the Administration and she will have up to 5 minutes in which to respond.

Following this,

- (i) The Mayor will request that the screen is lowered so that the outcome of the voting can be shown (Note: This will mean a delay of approximately 45 seconds).

(ii) There will be a slight delay between each vote to enable the results of the previous item to be recorded into the system for the minutes once they have been shown on the screen.

(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 Labour & Co-operative Group amendment (total of 1);
- (ii) The Conservative Group's amendments (total of 6);
- (iii) The Green Group's amendments (total of 3);

Following the conclusion of the voting on the amendments The Chief Finance Officer will confirm how the individual amendments that have been carried affect the council tax proposal as necessary.

There will be a need for a short adjournment to allow for the preparation of the council tax resolutions to reflect the budget proposals as amended / if amended to be printed and circulated prior to the substantive vote.

Substantive Votes:

(h) The **Mayor** will put the substantive motions (as amended) (if amended) relating to the General Fund Revenue Budget and Council Tax to the vote as follows:

1. Budget 1.99% with a 3% Precept for Adult Social Care

1.1 *The Chief Finance Officer will clarify the amendments that have been agreed and how they affect the budget proposal which will then be put to the vote.*

1.2 Item 78 General Fund Revenue Budget & Council Tax 2017/18 based on a budget and council tax increase of 4.99% (incorporating a 3% precept for Adult Social Care); recommendations (1) to (7); as detailed in the extract from the Policy, Resources & Growth Committee;

together with;

Item 79 Supplementary Financial Information for Budget Council recommendation (2.1); and the council tax resolution on pages 383-385 of the agenda or as circulated;

1.3 Note: *Should the budget of 4.99% be approved, then the Mayor will move to Item 80 on the agenda.*

1.4 If the vote on the Budget is carried the Mayor will then put the Capital & Resources Budget to the vote as detailed in **(2)** below.

1.5 If the vote is lost then the Chief Finance Officer and/or the Monitoring Officer will outline the Council's position and consult the Mayor.

1.6 Note: There may then be a need for an adjournment.

Followed by:

- (i)** The **Mayor** will put the substantive motions (as amended) (if amended) relating to the Capital Resources and Capital Investment Programme 2017/18 and the Housing Revenue Account Budget 2017/18 to the vote as follows:

2. Capital Resources and Capital Investment Programme 2017/18

2.1 *The Chief Finance Officer will clarify the position should the amendment have been agreed and how it affects the budget proposal which will then be put to the vote.*

2.2 Item 80 Capital Resources and Capital Investment Programme 2017/18 recommendations (1) - (7) as detailed in the extract from the Policy, Resources & Growth Committee.

Followed by:

3. Housing Revenue Account Budget 2017/18

3.1 *The Chief Finance Officer will clarify the position should the amendment have been agreed and how it affects the budget proposal which will then be put to the vote.*

3.2 Item 81 Housing Revenue Account Budget 2017/18 recommendation (1) as detailed in the extract from the Policy, Resources & Growth Committee and appendix 1 to the report.

- (j)** The Mayor will then close the meeting.

Additional guidance note regarding voting on amendments:

1. None of the amendments as they stand need to be changed regardless of the voting outcomes on each of the amendments:

Conservative amendment 1
Conservative amendment 2
Conservative amendment 3
Conservative amendment 4
Conservative amendment 5
Conservative amendment 6
Green amendment 1
Green amendment 2
Green amendment 3

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.

Abraham Ghebre-Ghiorghis
Executive Lead for Strategy,
Governance & Law
(Monitoring Officer)

David Kuenssberg
Executive Director for Finance
& Resources
(Chief Finance Officer)

Budget Process 2017 – Order of Events at Budget Council

1

- Introduction from the Mayor
- Approval of Procedure for the meeting

2

- Each Proposer (unlimited time) and Seconder (5 minutes) to introduce proposals and move amendments (in order of Labour & Co-operative, Conservative, and Green Groups)

3

- Full Council Debate (3 minutes per speaker)

4

- Right of Reply from Cllr Mitchell (5 minutes)

5

- Recorded Vote on each amendment (Labour & Co-operative 1, Conservative 1 - 6, followed by Green 1-3)

Short Adjournment prior to Vote on Substantive Budget Proposals

6

- Vote on substantive Council tax budget of 4.99% (as amended / if amended)
- If carried move to 7
- *If the budget is not approved, the Mayor will call a short adjournment.*

Following approval of the General Fund Revenue Budget and Council Tax, Items 80 and 81 will be put to the vote by the Mayor

7

- Vote on Capital Resources and Capital Investment Programme 2017/18 (as amended / if amended)

8

- Vote on Housing Revenue Account 2017/18 (as amended / if amended)

Agenda items 78 & 79**GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2017/18****BUDGET AMENDMENTS****Labour & Co-operative Group Amendment 1**

It is proposed that the following additional savings are made in the General Fund revenue budget for 2017/18:

- Reduce the cost of members' allowances by £0.043m through a review by the Independent Remuneration Panel.

To utilise the additional £0.043m resources released to:

- Reduce the saving of £0.645m in the Youth Service (page 71) by £0.043m

The additional savings proposals set out above require £0.010m revenue reserves to manage the part-year implementation in 2017/18. It is proposed to reduce the 4-Year Integrated Service & Financial Plan reserve for 2017/18 by £0.010m and this contribution will be reinstated as a first call on any reserves created by any reduction in the projected overspend for 2016/17 between now and the year-end.

Chief Finance Officer comments:

Changes to allowances are at the discretion of the Independent Remuneration Committee but the support of Full Council, through this amendment, would provide compelling reasons to support the proposed changes.

The amendment requires minor one-off funding to accommodate part-year effects which is considered low risk.

Agenda items 78 & 79

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2017/18

BUDGET AMENDMENTS

Conservative Group Amendment 1

It is proposed that the following budget and policy amendments are made:

- Further to the traffic management objectives set out in paragraph 3.12 of the Fees and Charges 2017/18 report to Environment, Transport & Sustainability Committee on 17 January 2017, it is proposed to support the reduction of diesel emissions through removal of the low emission permit discount for diesel cars. One consequence of this will be an increase to the current parking surplus of £0.117m. The surplus is used to fund qualifying expenditure under section 55 of the Road Traffic Regulation Act 1984, as amended. As qualifying expenditure currently exceeds the parking surplus by over £2m, this will reduce the level of General Fund resources required to support qualifying expenditure by £0.117m in 2017/18;
- Generate additional revenue of £0.030m through increased fee income from the Architecture and Design team through additional commissions;
- Reduce the cost of members' special allowances by £0.020m through a review by the Independent Remuneration Panel;
- Reduce the cost of Members' special allowances by £0.009m by combining the special responsibility for Adult Services with the Chair of the Health and Wellbeing board;
- Reduce committee costs by £0.014m by deleting the Neighbourhoods, Communities & Equalities Committee.

To utilise the additional £0.190m resources released to:

- Reduce the saving of £0.645m in the Youth Service (page 71) by £0.190m.

The proposals set out above require £0.010m revenue reserves to manage the part-year implementation in 2017/18. It is proposed to reduce the 4-Year Integrated Service & Financial Plan reserve for 2017/18 by £0.010m and this contribution will be reinstated as a first call on any reserves created by any reduction in the projected overspend for 2016/17 between now and the year-end.

Chief Finance Officer comments:

The additional resources identified above are prudential and considered to be achievable but all income targets carry risk of under-achievement, particularly new charges where there is no historic or empirical evidence. These will need to be monitored closely to ensure early corrective action is taken if income falls below the projection. Normal practice from the council's Finance team would cover this requirement.

Changes to allowances are at the discretion of the Remuneration Committee but the support of Full Council, through this amendment, would provide compelling reasons to support the proposed changes.

Similarly, the decision to delete the Neighbourhoods, Communities and Equalities Committee is a decision for Council, but the support of Full Council through this amendment would again indicate this may be supported.

The amendment requires minor one-off funding to accommodate part-year effects which is considered low risk.

Agenda items 78 & 79

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2017/18

BUDGET AMENDMENTS

Conservative Group Amendment 2

It is proposed that the funding of £0.075m for Poverty Proofing the School day (page 16, paragraph 3.38) is removed and to use the additional £0.075m resources released to reduce the saving of £0.470m in the Communities and Third Sector Development Commission by £0.075m.

Chief Finance Officer comments:

The investment in Poverty Proofing the School Day was approved by Policy, Resources & Growth Committee in response to the findings of the Fairness Commission (Recommendation 49) at its meeting on 8 December 2016. The committee allocated £0.150m over 2 years to provide for an audit of each school including consultation with pupils, staff, parents and governors to develop an action plan tailored to each individual school, to address any stigmatising policies or practices such as the way free school meals are served, or branded expensive uniforms with no cheaper options allowed. This amendment would therefore reverse the Policy, Resources & Growth Committee's decision and withdraw support for one of the recommendations of the Fairness Commission.

Although originally approved for a 2-year period, the budget includes £0.075m as a recurrent commitment which would therefore become available if this amendment is accepted.

Agenda items 78 & 79

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2017/18

BUDGET AMENDMENTS

Conservative Group Amendment 3

It is proposed that the following additional savings are made in the General Fund revenue budget for 2017/18:

- Increase the proposed saving of £0.300m for the whole of Housing General Fund Services (page 119) to £0.450m by focussing on streamlining the services provided, debt management, and reviewing management and administration across the service.

The additional £0.150m recurrent resources generated will be used to:

- Increase Direct Payment resources by £0.150m to support short breaks for families with disabled children.

The additional savings proposal set out above requires £0.075m revenue reserves to manage the part-year implementation in 2017/18. It is proposed to reduce the 4-Year Integrated Service & Financial Plan reserve for 2017/18 by £0.075m and this contribution will be reinstated as a first call on any reserves created by a reduction in the projected overspend for 2016/17 between now and the year-end.

Chief Finance Officer comments:

The increased saving of £0.150m is considered to be achievable across the Housing General Fund service areas indicated but may impact on service delivery and quality depending on the success of restructuring and redesign. A separate staffing Equality Impact Assessment has been drafted and should also be considered due to the more significant staffing changes it entails across the service.

This amendment also requires one-off funding to manage lead-in times (part year effects) but this is considered low risk.

Agenda items 78 & 79

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2017/18

BUDGET AMENDMENTS

Conservative Group Amendment 4

It is proposed that the following additional saving is made in the General Fund revenue budget for 2017/18:

- Additional saving of £0.020m through a service redesign across the Economic Development International and Sustainability Team, the Major Projects and Regeneration team, and the Planning Policy and Major Projects teams to refocus the city's economic strategy in the changing economic environment.

The additional £0.020m recurrent resources generated will be used to:

- Increase the budget for street tree planting and maintenance by £0.014m;
- Increase the financing costs budget by £0.006m to fund £0.050m borrowing for investment in playground equipment in Mile Oak Park, Portslade.

The additional savings proposals set out above require £0.005m revenue reserves to manage the part-year implementation in 2017/18. It is proposed to reduce the 4- Year Integrated Service & Financial Plan reserve for 2017/18 by £0.005m and this contribution will be reinstated as a first call on any reserves created by a reduction in the projected overspend for 2016/17 between now and the year-end.

Chief Finance Officer comments:

This is a relatively small additional saving to the currently proposed saving of £0.227m across these teams which have a net budget of nearly £1.9m. The saving is considered to be achievable through the redesign and reprioritisation of work. However, there may be some impact on capacity and speed of response to support sustainability projects and/or major projects.

A small amount of one-off funding is required to manage the part-year effects – this is considered low risk.

Agenda items 78 & 79

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2017/18

BUDGET AMENDMENTS

Conservative Group Amendment 5

It is proposed that the following additional savings are made in the General Fund revenue budget for 2017/18:

- Additional saving of £0.030m through a service redesign across the Economic Development International and Sustainability Team, the Major Projects and Regeneration team, and the Planning Policy and Major Projects teams to refocus the city's economic strategy in the changing economic environment;
- Additional savings of £0.050m through the rationalisation of the Communications service.

The additional £0.080m recurrent resources generated will be used to reduce the saving of £0.470m in the Communities and Third Sector Development Commission by £0.080m.

The additional savings proposals set out above require £0.020m revenue reserves to manage the part-year implementation in 2017/18. It is proposed to reduce the 4-Year Integrated Service & Financial Plan reserve for 2017/18 by £0.020m and this contribution will be reinstated as a first call on any reserves created by a reduction in the projected overspend for 2016/17 between now and the year-end.

Chief Finance Officer comments:

As for Conservative Amendment 4, this contains a relatively small additional saving to the currently proposed saving of £0.227m across these teams which have a net budget of nearly £1.9m. The saving, in addition to Amendment 4 if carried, is considered to be achievable as part of the overall savings package through redesign and reprioritisation of work. However, there may be some impact on capacity and speed of response to support sustainability projects and/or major projects.

Rationalising the Communications Service would mean reducing the staffing budget, which would therefore need to be reprioritised and may impact on capacity to provide effective support on:

- *Major communications for projects and events – the risk being that the communications are not properly worked through and handled in all cases and there is reputational impact;*

- *Responses to reactive media requests – risking not being able to proactively manage negative media and protect the reputation of council.*

A small amount of one-off funding is required to manage part-year effects which is considered low risk.

Agenda items 78 & 79

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2017/18

BUDGET AMENDMENTS

Green Group Amendment 1

It is proposed that the following budget and policy amendments are made:

- Further to the traffic management objectives set out in paragraph 3.12 of the Fees and Charges 2017/18 report to Environment, Transport & Sustainability Committee on 17 January 2017, it is proposed to support the reduction of diesel emissions through removal of the low emission permit discount for diesel cars. One consequence of this will be an increase to the current parking surplus of £0.117m. The surplus is used to fund qualifying expenditure under section 55 of the Road Traffic Regulation Act 1984, as amended. As qualifying expenditure currently exceeds the parking surplus by over £2m, this will reduce the level of General Fund resources required to support qualifying expenditure by £0.117m in 2017/18;
- In the light of new homeless prevention and support grants of circa £2.5m announced in January 2017, adjust pressure funding allocated to expected demand for homelessness support and Temporary Accommodation, releasing £0.100m;
- To increase highways skip and scaffold licences by 15%, which will contribute further to costs and raise additional income of £0.024m;
- To increase highways hoarding licences by 15%, which will contribute further to costs and raise additional income of £0.014m;
- To raise the fee for all building control inspections by 10%, which will contribute further to costs and raise additional income of £0.016m.

The proposals above will generate ongoing revenue of £0.271m. It is proposed that these resources be used to:

- Reverse elements of the proposed cut to the third sector youth service at a cost of £0.185m to recognise work to include young people with protected characteristics namely LGBT, BME and disability;
- Reverse elements of the proposed cut to Early Help work namely Integrated Team for Families and Parenting Services totalling £0.040m;
- Reverse elements of the proposed cut to the Community Safety team at a cost of £0.021m

- Support the Easylink transport service for the remainder of the financial year at a cost of £0.025m.

Chief Finance Officer comments:

The additional resources identified above are prudential and considered to be achievable but all income targets carry risk of under-achievement, particularly new charges where there is no historic or empirical evidence. These will need to be monitored closely to ensure early corrective action is taken if income falls below the projection. Normal practice from the council's Finance team would cover this requirement.

New resources for homelessness announced by the government are focused on prevention and may alleviate future cost pressures (i.e. enable cost avoidance). However, in the short term this may not be significant due to current pressures in the system, the difficulties in finding appropriate properties in the local area, the potential impact of continuing welfare reforms and continuing high housing needs. A small reduction of £0.100m to the £2.232m service pressure funding is considered to be medium to low risk but members are advised that if the newly funded initiatives do not reduce pressures, but simply contain growing demands, the service pressure funding released under this amendment may need to be reinstated in 2018/19, increasing the budget gap in that year. It should be noted that the position on demand-led services has to be a prudent view, reflecting a reduction to the risk provision; the projected over-spend on demand-led areas in the current financial year, and imperfect knowledge of the impact of investment of this type on future demands.

The increases in fees and licences in this amendment would generate greater income than indicated above but an assessment of the potential negative impact on demand has been included resulting in a lower yield from the increases. Members are advised that impacts on demand cannot be assessed with great accuracy and therefore there remains a small residual risk that the income may not materialise.

Agenda items 78 & 79

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2017/18

BUDGET AMENDMENTS

Green Group Amendment 2

It is proposed that the following amendment is made, which results in additional General Fund revenue resources for 2017/18:

- So as to recover as much of the costs associated with the services as are allowed by law and in the context of available benchmarking information, it is proposed to increase the joint CON29 and LLC1 Local Authority Land Charges Search Fees by £35 above the 2016/17 rate and individual part fees proportionately.

This proposal will release £0.100m one-off resources to the General Fund. It is proposed that these resources be used to:

- Reverse cuts to two key posts in Housing Support (Housing Needs and Housing Options) for one year at a cost of £0.065m;
- Contribute towards security and basic facilities to allow the use of empty council buildings by rough sleepers, as agreed by all parties in a recent Full Council Notice of Motion, at a cost of £0.035m.

Chief Finance Officer comments:

The increase in Land Charge Search fees in this amendment would generate greater income than indicated above but an assessment of the potential negative impact on demand has been included resulting a lower yield from the increase. For this reason, the increase is also only supportable on a one-off basis as it is unclear what the longer term impacts on demand will be. Members are advised that impacts on demand cannot be assessed with great accuracy and therefore there remains a residual risk that the income may not materialise.

The Law requires the Council to set fees for Local Land Charge Searches having regard to the cost of providing the service. The position would therefore need to be monitored and appropriate adjustments made to reflect the legal requirements as necessary.

Latest information confirms that VAT is to be applied to certain Land Charges Search Fees from April 2017. This will further increase the fee rates (for all authorities) and may therefore increase the risk that fees could be out of step with local providers and other comparable authorities, potentially further impacting on demand.

Agenda item 80**CAPTIAL RESOURCES & CAPITAL INVESTMENT
PROGRAMME 2017/18****BUDGET AMENDMENTS****Green Group Amendment 3**

It is proposed that the resources allocated to the Digital First capital programme be reduced by £0.700m, reflecting slippage on the programme experienced in 2016/17 and that these resources be used as below. This will provide capital resources of £0.700m. It is proposed that these be used to:

- Fund the remainder of the Contract Management business case, referred to in the Council's Annual Governance Statement 2015/16, for three years at a cost of £0.600m. This may save £0.400m annually in future years which could be used to support re-profiling of the Digital First programme if desired;
- Contribute towards basic facilities and infrastructure to allow the use of empty council buildings by rough sleepers, as agreed by all parties in a recent Full Council Notice of Motion, at a cost of £0.100m.

Chief Finance Officer comments:

This proposal will require Members to approve a reduction of the Digital First programme to £5.300m, resulting in £1.300m resources being available in 2018/19 rather than the currently planned £2.000m.

Reducing the programme may mean that the council is not able to achieve all of the developments that it needs to provide a good quality, reliable digital service offer across priority service areas or to maximise the potential cost and processing efficiencies that digital services are expected to provide. If this were to be the case, it is possible that the Council would need to re-allocate resources to the programme in 2018/19 or later years, potentially at the expense of other priority capital investment/s.

The planned use of these resources must comply with either the government's requirements for capital expenditure or meet the criteria of the capilisation direction allowing revenue expenditure to be funded from capital.

Agenda item 81**HOUSING REVENUE ACCOUNT REPORT 2017/18
AMENDMENT****Conservative Group Amendment 6**

It is proposed that the following additional saving is made in the Housing Revenue Account budget for 2017/18:

- Increase the saving of £0.570m for Property and Investment (page 167) by £0.250m by delivering the housing capital investment programme within the planned timetable to reduce maintenance requirements. The Property & Investment budget has consistently underspent.

The additional £0.250m recurrent resources generated will be used to:

- Create a ring-fenced fund of £0.250m within the Housing Revenue Account to provide youth services for council housing households.

Chief Finance Officer comments:

Increasing the saving on the HRA Property & Investment budget, which includes repairs and servicing contracts, may impact on the ability of the service to keep pace with repairs and maintenance requirements and demands, and therefore result in higher long term costs, as well as impacting service standards. In turn, this may reduce the resources available within the Medium Term Financial Strategy and 30 Year Business Plan, or alternatively require release of one-off reserves. However, the service has historically achieved underspends.

In order to use the saving for Youth Services, it will need to be clear that the expenditure clearly and wholly brings benefits to council housing residents. This would need to be monitored closely, to ensure compliance with statutory provisions.

