



**Brighton & Hove
City Council**

COUNCIL ADDENDUM

SUPPLEMENTARY FINANCIAL INFORMATION

4.30PM, THURSDAY, 22 FEBRUARY 2018

COUNCIL CHAMBER - HOVE TOWN HALL

ADDENDUM

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Budget Council

22 February 2018

Agenda Item 78

Brighton & Hove City Council

Subject: Supplementary Financial Information for Budget Council**Date of Meeting: 22 February 2018****Report of: Executive Director of Finance & Resources****Contact Officer: Name: James Hengeveld Tel: 01273 291242****E-mail: James.Hengeveld@brighton-hove.gov.uk****Wards Affected: All****FOR GENERAL RELEASE**

Note: The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that the East Sussex Fire Authority did not set its council tax precept until Thursday 15th February 2018; which was after the publication of the agenda and the council tax resolution set out in the report could not be finalised until that figure was known.

1. PURPOSE OF REPORT AND POLICY CONTEXT:

- 1.1 To update Members with further budget information and revisions since the General Fund Revenue Budget, Council Tax and Capital Investment Programme, and Housing Revenue Account Budget and Investment Programme reports were considered at Policy, Resources & Growth Committee on the 8 February 2018.
- 1.2 The proposed budget is based on the Administration's council tax proposal of 2.99%, including an additional 1% allowed by government in the final Local Government Financial Settlement, together with a further 3.00% increase in respect of an Adult Social Care precept also allowed by government within the final settlement. Incorporating the Police and Fire elements of the council tax, the overall increase for most residents of Brighton and Hove will be 6.00%.

2. RECOMMENDATIONS:

- 2.1 That Council use the statutory budget calculation and the Council Tax Resolution set out in this report for a 5.99% council tax increase as the basis of debate at the meeting.

3. CONTEXT / BACKGROUND INFORMATION***2018/19 General Fund Budget & Council Tax***

- 3.1 The new and revised information likely to be covered in this report was set out in paragraph 11.3 of the 8 February 2018 Policy, Resources & Growth committee report and will cover the following:-

- The final Local Government Finance Settlement 2018/19;

- Any other grants announced or confirmed prior to Budget Council;
- The agreed council tax set by the East Sussex Fire Authority & Sussex Police and Crime Commissioner;
- The statutory council tax calculations required under the 1992 Local Government Finance Act;
- The full budget and council tax resolution for Budget Council.

Final Local Government Finance Settlement 2018/19 and updated grants information

- 3.2 The final Local Government Finance Settlement was announced on the 6 February 2018. This included a new allocation of £150 million nationally for a 2018/19 Adult Social Care grant and the council's allocation from this is £0.768m. This amount will be held in contingency to support Adult Social Care services and the allocation of this will be subject to a future report to Policy, Resources & Growth committee. At this time, no detailed information or conditions of use have been notified.
- 3.3 The Discretionary Housing Payments grant has been announced for 2018/19 at £0.837m which is a reduction of £0.295m on 2017/18.
- 3.4 There is an increased allocation for the Housing Benefit Administration grant of £0.012m relating to new burdens and this amount has been included in the service budget.
- 3.5 There is a small increase in the New Homes Bonus grant of £0.004m.
- 3.6 The Environment Agency levy has been confirmed at £0.066m which is £0.002m higher than previously allowed for in the budget and this will be funded from the increased New Homes Bonus grant noted above with the remaining £0.002m being held as pressure funding for grants not yet announced.
- 3.7 The Ministry of Housing, Communities & Local Government has revised the section 31 compensation grants relating to capping business rates increases. This results in an additional £0.125m and this will be set aside in contingency to offset reductions in business rates as a consequence of the cap.
- 3.8 An amended Appendix 1 is included to reflect the changes above.

Other Changes

Treasury Management Strategy

- 3.9 The 2018/19 Treasury Management Strategy and Annual Investment Strategy are being formulated, and a fund selection process is being undertaken by the council's Treasury Advisors. Any changes that arise will be incorporated in the 2018/19 strategy which will be reported for approval at Policy, Resources & Growth Committee on 29 March 2018 and Full Council on 19 April 2018. The existing 2017/18 Investment Strategy will be adhered to until the 2018/19 Strategy is formally approved.

Royal Pavilion & Museums

- 3.10 The 2018/19 budget proposals contain savings of £0.121m in relation to the potential transfer of the Royal Pavilion & Museums service to charitable trust status. The potential transfer has now been deferred pending further assessment of all options for future delivery of the service. This means the proposed saving is unlikely to be achieved. However, as the savings relating to the Royal Pavilion &

Museums transfer were to be reinvested in the service (see Table 6, Page 19 of the General Fund budget report), in accordance with Policy, Resources & Growth Committee decision on 19 January 2017, this has no net impact on the General Fund Revenue Budget proposals for 2018/19. Future years' savings relating to the Royal Pavilion & Museums will be dependent on the outcome of the reassessment of options.

Housing Revenue Account (HRA)

- 3.11 The HRA revenue budget was amended by Policy, Resources & Growth Committee on 8 February 2018 to remove the proposed contribution to Children's Centre Services of £0.170m and apply the released resources to the direct revenue funding of the HRA capital programme. This amendment has been updated and reflected in the body, tables and appendices of the Housing Revenue Account Budget & Investment Programme report (Item 79).

Council Tax

- 3.12 The following table shows the overall council tax proposed incorporating the amounts set by the Sussex Police & Crime Commissioner and the East Sussex Fire Authority.

TABLE 10: Council Tax			
	2018/19 Band D Council Tax	Change on 2017/18	Percentage change
Brighton & Hove City Council	£1,549.07	£87.57	5.99%
Sussex Police & Crime Commissioner	£165.91	£12.00	7.80%
East Sussex Fire Authority	£91.00	£2.60	2.94%
Total for Brighton & Hove residents	£1,805.98	£102.17	6.00%

- 3.13 The Brighton & Hove City Council Band D council tax change of £87.57 includes £43.84 for the 3% Adult Social Care precept.

Budget and Council Tax Appendices

- 3.14 Details of the additional council taxes paid by residents of Rottingdean Parish and Enclosure Committees for the maintenance of gardens in Hanover Crescent, Marine Square and Royal Crescent are given in Appendix 14.
- 3.15 The full resolution for Budget Council is included at Appendix 15.

SUPPORTING DOCUMENTATION

Appendices:

1. Revised Movements in Budget allocations 2017/18 to 2018/19.
14. The statutory calculations required under the 1992 Local Government Act.
15. Proposed full resolution for Budget Council.

Documents in Members' Rooms

1. No further documents.

Background Documents

1. No further background documents.

2018/19 BUDGET - Budget changes from 2017/18 to 2018/19

APPENDIX 1

	<i>2017/18 Adjusted Base £'000</i>	<i>Inflation £'000</i>	<i>Service Pressures £'000</i>	<i>Commitments and Reinvestments £'000</i>	<i>VFM & Other Savings £'000</i>	<i>2018/19 Original Budget £'000</i>	<i>Change over adjusted base £'000</i>	<i>Change over adjusted base %</i>
Families, Children & Learning	82,939	1,798	5,798	639	(4,308)	86,866	3,927	4.73
Health & Adult Social Care	49,207	1,263	4,291	568	(3,416)	51,913	2,706	5.50
Economy, Environment & Culture	26,465	587	892	520	(2,170)	26,294	(171)	(0.65)
Neighbourhoods, Communities & Housing	14,787	391	444	(12)	(653)	14,957	170	1.15
Finance & Resources	17,648	319	96	507	(874)	17,696	48	0.27
Strategy, Governance & Law	4,664	79	313	93	(225)	4,924	260	5.57
Total Directorate Spending	195,710	4,437	11,834	2,315	(11,646)	202,650	6,940	3.55
Concessionary Fares	10,946	221	-	(10)	(200)	10,957	11	0.10
Insurance	3,192	-	-	(59)	-	3,133	(59)	(1.85)
Financing Costs	6,700	-	-	220	-	6,920	220	3.28
Corporate VFM Savings	(128)	(1)	-	-	(500)	(629)	(501)	391.41
Contingency and Risk Provisions	1,667	54	-	(471)	-	1,250	(417)	(25.01)
Unringfenced grants income	(15,648)	-	1,050	(2,507)	-	(17,105)	(1,457)	9.31
Levies to External Bodies	203	4	-	(6)	-	201	(2)	(0.99)
Other Corporately-held Budgets	1,510	(27)	-	599	(25)	2,057	547	36.23
NET REVENUE EXPENDITURE	204,152	4,688	12,884	81	(12,371)	209,434	5,282	2.59
Contributions to/ from(-) reserves	(563)			(47)		(610)	(47)	8.35
BUDGET REQUIREMENT	203,589	4,688	12,884	34	(12,371)	208,824	5,235	2.57
Funded by:								
Revenue Support Grant	21,618					14,144	(7,474)	(34.57)
Business Rates Local Share	56,877					57,258	381	0.67
Tariff Payment	(1,500)					(745)	755	(50.33)
Business Rates Levy payment	(122)					(91)	31	(25.28)
Business Rates Collection Fund surplus/(deficit)	(1,684)					(1,690)	(6)	0.36
Council Tax Collection Fund surplus/(deficit)	654					2,091	1,437	219.72
Council Tax	127,746					137,857	10,111	7.91
Total	203,589					208,824	5,235	2.57

APPENDIX 14

CALCULATION OF BRIGHTON & HOVE'S COUNCIL TAX REQUIREMENT AND COUNCIL TAX

CALCULATIONS REQUIRED UNDER THE LOCAL GOVERNMENT FINANCE ACT 1992

S31A Expenditure	£	£
Gross Revenue expenditure on Brighton & Hove services	701,994,596	
Contingency	1,250,000	
Transfer to business rates collection fund	1,689,520	
Levies	172,826	
Special items	25,718	
Parish precept	45,067	
		705,177,727
Income		
Government Grants, fees and charges	508,153,102	
Business Rates Local Share	56,421,973	
Contribution from reserves	610,000	
Transfer from council tax collection fund	2,090,585	
		567,275,660
Council Tax Requirement (R)		137,902,067

S31B	R = Council Tax Requirement	137,902,067
	T = Taxbase	88,976.4
	R/T = Basic Council Tax	1,549.87

S34	(i) S34 (2)	
	B = Section 31B Calculation	1,549.87
	A = Total of Special Items (as defined in S35)	70,785
	T = Taxbase	88,976.4
	B - (A / T) = Council Tax for areas with no special items	1,549.07
	(ii) S34 (3)	
	C = Section 34 (2) calculation	1,549.07
	S =	
	Rottingdean Parish special item	45,067
	Hanover Crescent Enclosure Committee special item	7,680
	Marine Square Enclosure Committee special item	9,958
	Royal Crescent Enclosure Committee special item	8,080
	TP =	
	Rottingdean Parish taxbase	1,562.1
	Hanover Crescent Enclosure Committee taxbase	40.7
	Marine Square Enclosure Committee taxbase	72.6
	Royal Crescent Enclosure Committee taxbase	31.0
	C + (S / TP) = Council Tax for areas with special items:-	
	Rottingdean Parish	1,577.92
	Hanover Crescent Enclosure Committee	1,737.77
	Marine Square Enclosure Committee	1,686.23
	Royal Crescent Enclosure Committee	1,809.72

General Fund Revenue Budget 2018/19

Formal Council Tax Resolution

1. It be noted that on 25 January 2018 the council calculated the Council Tax Base 2018/19:
 - (a) for the whole Council area as 88,976.4 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)); and
 - (b) for dwellings in those parts of its area to which special items relate:
 - Rottingdean Parish – 1,562.1
 - Hanover Crescent Enclosure – 40.7
 - Marine Square Enclosure – 72.6
 - Royal Crescent Enclosure – 31.0
2. Calculate that the Council Tax requirement for the council’s own purposes for 2018/19 (excluding Parish precepts) is £137,857,000.
3. That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act:
 - (a) £705,177,727 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils;
 - (b) £567,275,660 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
 - (c) £137,902,067 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act);
 - (d) £1,549.87 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts);
 - (e) £70,785 being the aggregate amount of all special items referred to in Section 34(1) of the Act;
 - (f) £1,549.07 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by the Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relates;
 - (g) £1,577.92 Rottingdean Parish
£1,737.77 Hanover Crescent

£1,686.23
£1,809.72

Marine Square
Royal Crescent

being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the relevant amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for the dwellings in those parts of its area to which one or more special items relate.

Band:	A*	A	B	C	D	E	F	G	H
Parts of the Council's area	£	£	£	£	£	£	£	£	£
Rottingdean Parish	876.62	1,051.95	1,227.27	1,402.60	1,577.92	1,928.57	2,279.22	2,629.87	3,155.84
Hanover Crescent	965.43	1,158.51	1,351.60	1,544.68	1,737.77	2,123.94	2,510.11	2,896.28	3,475.54
Marine Square	936.79	1,124.15	1,311.51	1,498.87	1,686.23	2,060.95	2,435.67	2,810.38	3,372.46
Royal Crescent	1,005.40	1,206.48	1,407.56	1,608.64	1,809.72	2,211.88	2,614.04	3,016.20	3,619.44
All other parts of the council's area	860.59	1,032.71	1,204.83	1,376.95	1,549.07	1,893.31	2,237.55	2,581.78	3,098.14

* Entitled to disabled relief

4. To note that the Police & Crime Commissioner and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

Band:	A*	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£	£
Sussex Police & Crime Commissioner	92.17	110.61	129.04	147.48	165.91	202.78	239.65	276.52	331.82

* Entitled to disabled relief

Band:	A*	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£	£
East Sussex Fire Authority	50.56	60.67	70.78	80.89	91.00	111.22	131.44	151.67	182.00

* Entitled to disabled relief

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2018/19 for each part of its area and for each of the categories of dwellings.

Band:	A*	A	B	C	D	E	F	G	H
Parts of the Council's area	£	£	£	£	£	£	£	£	£
Rottingdean Parish	1,019.35	1,223.23	1,427.09	1,630.97	1,834.83	2,242.57	2,650.31	3,058.06	3,669.66
Hanover Crescent	1,108.16	1,329.79	1,551.42	1,773.05	1,994.68	2,437.94	2,881.20	3,324.47	3,989.36
Marine Square	1,079.52	1,295.43	1,511.33	1,727.24	1,943.14	2,374.95	2,806.76	3,238.57	3,886.28
Royal Crescent	1,148.13	1,377.76	1,607.38	1,837.01	2,066.63	2,525.88	2,985.13	3,444.39	4,133.26
All other parts of the councils area	1,003.32	1,203.99	1,404.65	1,605.32	1,805.98	2,207.31	2,608.64	3,009.97	3,611.96

* Entitled to disabled relief

6. In accordance with Section 52ZB of the Local Government Finance Act 1992 the Council determines its relevant basic amount of council tax for the financial year 2018/19 is not excessive.