

**Brighton & Hove City Council**

**Policy & Resources Committee**

**4.00pm 10 February 2022**

**Hove Town Hall - Council Chamber**

**Minutes**

**Present:** Councillor Mac Cafferty (Chair) Druitt (Joint Deputy Chair), Gibson (Joint Deputy Chair), Allcock (Joint Opposition Spokesperson), Appich (Joint Opposition Spokesperson), Bell (Group Spokesperson), Evans, Miller, Shanks and Yates

**Part One**

**101 PROCEDURAL BUSINESS**

**(a) Declarations of Substitutes**

101.1 Councillor Shanks was present in substitution for Councillor Clare

**(b) Declarations of Interest**

101.2 Councillor Druitt declared a pecuniary interest in budget items as he was a local bus operator. He confirmed that he had applied for dispensation to speak and vote on the budget items and that had been agreed by the Monitoring Officer.

**(c) Exclusion of Press and Public**

101.3 The Committee considered whether the press and public should be excluded from the meeting during the consideration of any of the items listed on the agenda.

101.4 **RESOLVED:** That the press and public would not be excluded from the meeting as there were no Part Two items on the agenda.

**102 CHAIR'S COMMUNICATIONS**

102.1 The Chair gave the following communication:

Good afternoon and welcome to this meeting of the Policy & Resources Committee. I'd like to inform those present that this meeting is being webcast live and is available for repeated viewing.

Members and attendees are reminded that they are required to wear masks for the duration of the meeting today. I will ensure there are sufficient comfort breaks to support Members, please do have the microphone close to you to ensure you can be heard. In

addition, Members are reminded of the arrangements to facilitate the safe transaction of business through brief questions and answers and limited speakers where possible.

**103 CALL OVER**

103.1 The following items on the agenda were reserved for discussion:

Item 108: General Fund Revenue Budget, Capital & Treasury Management Strategy  
2022/23

Item 109: Housing Revenue Account Budget and Capital Investment Programme  
2022/23 and Medium-Term Financial Strategy

103.2 The following items on the agenda were agreed without discussion:

Item 106: Corporate Banking Services

Item 107: Targeted Budget Management (TBM) 2021/22: Month 9 (December)

Item 110: Strategy Delivery Board, Major Projects and Regeneration & Investment Plan  
Update

**104 PUBLIC INVOLVEMENT**

(a) Petitions

104.1 There were no petitions

(b) Written Questions

104.2 There were no written questions

(c) Deputations

104.3 There were no deputations

**105 MEMBER INVOLVEMENT**

(a) Petitions:

105.1 There were no petitions

(b) Written Questions:

105.2 There were no questions

(c) Letters:

105.3 There were no letters

(d) Notices of Motion:

105.4 There were no Notices of Motion

## **106 CORPORATE BANKING SERVICES**

106.1 This item was not called and therefore agreed without discussion.

106.2 **RESOLVED:** That the extension of the council's current contract with Lloyds Banking Group as set out in paragraph 3.3 of the report be approved.

## **107 TARGETED BUDGET MANAGEMENT (TBM) 2021/22: MONTH 9 (DECEMBER)**

107.1 This item was not called and therefore agreed without discussion.

### **107.2 RESOLVED:**

- 2.1 That the Committee note the forecast risk position for the General Fund, which indicates a potential forecast underspend of £1.093m. This is net of an underspend of £1.877m on the council's share of the NHS managed Section 75 services. 29
- 2.2 That the Committee agrees to re-allocate £0.600m Contain Outbreak Management Funds (COMF) to support qualifying expenditure on Homelessness costs driven by the pandemic (see paragraph 12.2).
- 2.3 That the Committee note the forecast for the Housing Revenue Account (HRA), which is currently an overspend of £1.705m.
- 2.4 That the Committee note the forecast risk position for the Dedicated Schools Grant which is an overspend of £0.346m.
- 2.5 That the Committee note the forecast outturn position on the capital programme which is a forecast underspend of £5.671m and approve the variations and slippage in Appendix 6 and new schemes and future years' variations as set out in Appendix 7.

## **108 GENERAL FUND REVENUE BUDGET, CAPITAL & TREASURY MANAGEMENT STRATEGY 2022/23**

108.1 The Chief Finance Officer introduced the report to the committee.

108.2 Councillor Miller was informed that the break down of budget for graffiti removal could be provided later and it was noted that there was no specific benchmarking against other local authorities, however the spend was not high.

108.3 Councillor Druitt was informed that there were four staff and part of a team leaders time made up the graffiti team.

108.4 Councillor Allcock was disappointed that the Arts Fund was to receive less funding. It was noted by the councillor that the project worked across the city, and was inspirational, rewarding and accessible to all. The project boosted confidence, helping

the young with college and employment applications. The Councillor was informed that impact of the reduction would be minimised.

- 108.5 Councillor Druitt shared Councillor Allcock's concerns and noted that this was not the first time Arts Award had been under pressure, however a number of meetings are to be held with stakeholders and there is a hope to save youth arts across the city. The administration will be looking at ways to find money for the Arts Award.
- 108.6 Councillor Shanks noted how important the work was and noted there was lots ongoing in the city and BHCC were doing well against other cities.
- 108.7 Councillor Yates noted it was good there was scope for reviewing and as they wanted the best outcomes.
- 108.8 Councillor Gibson noted that the budget setting had been faced with unpalatable savings and was not easy. Balancing the budget meant listening and consulting to find ways to improve the budget. The work on the budget was ongoing.
- 108.9 Councillor Miller proposed, seconded by Councillor Bell, the two Conservative Group amendments noting that the first amendment would be to spend £63,000 on City Platinum Jubilee celebrations. To include a one-off pot of £30,000 to support community events over the Jubilee weekend through a bidding process; £3,000 to run this bidding process, and £30,000 to support City in Bloom across the Jubilee weekend in Red, White and Blue flowers. The second amendment would allocate capital investment of £200,000 to commission a Monarchist statue commemorating Her Majesty and her platinum jubilee and to send a card of congratulations to her majesty on behalf of the residents of Brighton & Hove. Increase the capital funding available to support the Madeira Terraces renovation by £4.12m over the next 2 financial years.
- 108.10 Councillor Appich noted that council tax was to increase, and the benefits were not visible, with rising fuel bills. The councillor welcomed the work done on lettings, housing first, victim support and carbon neutrality. The councillor considered the ward budget reductions were not good.
- 108.11 Councillor Yates considered the community had a right to celebrate the Queens Platinum Jubilee and felt there would be street parties coming up to celebrate the Queens dedicated service to the country. It was noted by the councillor that there had been criticism of those countries who had not signed up to the climate change agreements. The councillor considered the council did its part and Members needed to play their part. The councillor did not support the amendments.
- 108.12 Councillor Evans was happy to send a card to the Queen but was not able to support the amendments. The councillor considered that a statue could be funded by public subscription. The councillor supported the restoration of Madeira Terrace, however they considered there were sufficient funds available at this time. The councillor did not support the amendments.
- 108.13 Councillor Gibson stated that they didn't want to reduce ward budgets and not that the amendments were not considering using 'clean money' – that which had already been allocated to other items. The councillor noted that the capital investment programme

covered Madeira Terrace and new affordable housing. The carbon neutral fund was good. The budget needs to address priorities such as jobs, services, and climate level changes. For this a long term plan is needed to gain future savings. It was noted there are pressures from inflation, cost of materials etc. The budget is focused on future investment, equalities, council tax reduction scheme, reflecting lower pay scales. The councillor considered the Members needed to work together to pass the budget.

108.14 Councillor Druitt welcomed ways to reduce the cuts to ward budgets and noted other items were not good to reduce and requested that the Members work together to make the council financially resilient. The councillor noted the council had come a long way from previous cuts and requested that the government be asked to support councils. The councillor did not support the amendments and noted that extra funding was not required for Madeira Terrace at this time.

108.15 Councillor MacCafferty noted that the council celebrations for the Queens Platinum Jubilee would be posted on the council website which would include street parties, beacons, tree planting and arts funding.

108.16 Councillor Miller was disappointed that the Labour and Green groups were not able to support the amendments.

108.17 Councillor Gibson considered that the funding for the amendments could not come from transport model and would always welcome grants and government funding.

#### Vote

108.18 A recorded vote was taken on the first Conservative amendment and the following voted for: Councillors Miller and Bell. The following voted against: Councillors Allcock, Appich, Druitt, Evans, Gibson, MacCafferty, Shanks and Yates.

The amendment was dismissed by a vote of 8 to 2.

108.19 A recorded vote was taken on the second Conservative amendment and the following voted for: Councillors Miller and Bell. The following voted against: Councillors Allcock, Appich, Druitt, Evans, Gibson, MacCafferty, Shanks and Yates.

The amendment was dismissed by a vote of 8 to 2.

108.20 A recorded vote was taken on the recommendations and the following voted for: Councillors Druitt, Gibson, MacCafferty and Shanks. The following abstained: Councillors Allcock, Appich, Bell, Evans, Miller and Yates.

The recommendations were agreed by 4 to 6 abstentions.

108.21 **RESOVLED:**

**That Policy & Resources Committee recommends to Council:**

- 2.1 The Administration's proposed budget and Council Tax increase on the Brighton & Hove element of the council tax, comprising:
- i) A general Council Tax increase of 1.99%;
  - ii) An Adult Social Care Precept increase of 1.00%;
  - iii) The council's net General Fund budget requirement for 2022/23 of £199.853m;
  - iv) The 2022/23 budget allocations to services as set out in the Budget book at Appendix 1 incorporating 2022/23 savings proposals and investments;
  - v) The reserves allocations as set out in the table at paragraph 5.20;
  - vi) A recommended working balance of £9.000m (approximately 4.5% of the net budget).
- 2.2 That Council notes the updated 4-Year Medium Term Financial Strategy included in the Budget Book at Appendix 1.
- 2.3 That Council approves the Capital Strategy for 2022/23 at Appendix 2 comprising:
- i) The strategy for funding the investment in change, including the flexible use of capital receipts as set out in section 7;
  - ii) The capital resources and proposed borrowing included at Annex A of the Capital Strategy;
  - iii) The Capital Investment Programme for 2022/23 of £222.788m included within the Budget Book at Appendix 1 and incorporating allocations to strategic funds.
- 2.4 That Council notes the Equalities Impact Assessments to cover all relevant budget options and their cumulative effect as set out in Appendices 6 and 7.
- 2.5 That Council further notes that approval of the budget is an indicative resourcing decision to be taken in the context of the explanation given in the Legal Implications paragraph 17.3.
- 2.6 That Council approves the Treasury Management Strategy Statement as set out in Appendix 3 comprising:
- i) The Annual Investment Strategy;
  - ii) The Prudential and Treasury Indicators;
  - iii) The Minimum Revenue Provision policy;
  - iv) The authorised borrowing limit for the year commencing 1 April 2022 of £590m.
- 2.7 That Council notes that supplementary information needed to set the overall council tax will be provided for the budget setting Council meeting as listed in paragraph 11.3.

**That Policy & Resources Committee agrees:**

- 2.8 That the council's Chief Finance Officer be authorised to make any necessary technical, presentational or consequential amendments to this report before submission to Budget Council.

**109 HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL INVESTMENT PROGRAMME 2022/23 AND MEDIUM TERM FINANCIAL STRATEGY**

- 109.1 The Chief Finance Officer introduced the report to the committee.

- 109.2 Councillor Gibson wanted to highlight how positive the budget was with the housing crisis in the city and noted the close working with the Labour and Green group. The councillor welcomed the £56m for council homes and noted that the budget would sustain levels of affordable housing built by the council and would out stripe the 'right-to-buy' losses. The councillor noted the 167 new council homes for next year, although this did not meet the 800 target. The councillor considered it a positive to be investing in homes and truly affordable housing at minimum and social rents. It was noted that £5m was for refitting and updating heating in homes owned by the council. The councillor requested the Members support the budget.
- 109.3 Councillor Appich considered that vulnerable people in housing should get more support and wanted properties to be at least in a liveable state.
- 109.4 Councillor Shanks noted this matter needed to be looked at.
- 109.5 Councillor Gibson agreed and noted this issue was ongoing.
- 109.6 Councillor Bell requested that officers respond to how improvements to housing support would be funded from the HRA budget. The Executive Director for Housing Neighbourhoods & Communities noted the report set out the ongoing support and letting standards. The issues were being looked at.
- 109.7 Councillor Allcock noted the housing crisis was the biggest challenge to the city and thanked councillors and officers for working on it. The councillor noted that the big challenge seemed to stem from the 1980s sell off of council homes. The councillor stated they, and the Labour group would be abstaining on the vote for the report.
- 109.8 Councillor Gibson was disappointed that the Labour group would not be supporting the recommendations.

#### Vote

- 109.9 A recorded vote was taken, and the following voted for: Councillors Druitt, Gibson, MacCafferty, Shanks. The following abstained: Allcock, Appich, Bell, Evans, Miller and Yates.
- 109.10 The recommendations were agreed by 4 to 6 abstentions.
- 109.11 **RESOLVED:**

#### **That the Housing Committee:**

- 2.1 Approves a rent increase of up to 4.1% in line with government legislation as detailed in paragraph 4.9 of the report.
- 2.2 Approves the service charges and fees as detailed in Appendix 2 to the report.
- 2.3 Notes the Medium-Term Financial Strategy and 30-year financial projections shown in Appendix 4 to the report.

**That Housing Committee approves and recommends to Policy & Resources Committee:**

- 2.4 That the updated HRA Revenue Budget for 2022/23 as shown in Appendix 1 to the report be agreed and recommended to full Council for approval;
- 2.5 That an earmarked reserve of £1.500m for the Covid-19 recovery work required to clear the backlog of responsive repairs and voids be set up as per paragraph 5.1 of the main report.
- 2.6 That a contribution to the rent reduction reserve of £1.200m be made from the general reserves held by the HRA as per paragraph 5.1 of the main report.
- 2.7 That a contribution to the Sustainability and Retrofit reserve of £1.200m be made from the general reserves held by the HRA as per paragraph 5.1 of the main report.
- 2.8 That the Capital Programme Budget of £85.077m for 2022/23 be agreed and notes the 3-year programme as set out in Appendix 4 to the report and recommended to full Council for approval; and

**That Full Council:**

- 2.9 Approves the updated HRA Revenue Budget for 2022/23 as shown in Appendix 1 to the report.
- 2.10 Approves the Capital Programme Budget of £85.077m for 2022/23 and notes the 3-year programme as set out in Appendix 3 to the report.

**110 STRATEGIC DELIVERY BOARD, MAJOR PROJECTS AND REGENERATION & INVESTMENT PLAN UPDATE**

110.1 This item was not called and therefore agreed without discussion.

**110.2 RESOLVED:**

- 2.1 That the Committee agrees the amended Terms of Reference for SDB as detailed in Appendix 2.
- 2.2 That the Committee agrees to the preparation of a Regeneration & Investment Plan for the City, and for officers to identify a budget and take all necessary procurement steps to commission the work.
- 2.3 That Committee agrees to receive regular updates, every 6 months, on the major regeneration projects in the city.

**111 ITEMS REFERRED FOR COUNCIL**

111.1 Items referred to Council:

Items 108 and 109 included recommendations for Full Council.

The meeting concluded at 5.38pm

Signed

Chair

Dated this

day of