

12 February 2015

This record relates to Agenda Item 138

RECORD OF POLICY & RESOURCES COMMITTEE DECISION

SUBJECT: GENERAL FUND REVENUE BUDGET &
COUNCIL TAX 2015/16

AUTHOR: NIGEL MANVELL

THE DECISION

RESOLVED TO RECOMMEND:

That the following be referred to the Council for consideration:

- (1) The Administration's proposed 5.9% Council Tax increase in the Brighton & Hove element of the council tax, including:
 - (i) The 2015/16 budget allocations to services as set out in Appendix 1.
 - (ii) The council's net General Fund budget requirement for 2015/16 of £220.2m.
 - (iii) The referendum budget savings package as set out in Appendix 7.
 - (iv) The additional budget proposals for a substitute budget of £4.293m as set out in Appendix 8.
 - (v) The funding of the costs associated with holding a referendum on the 7 May 2015 in accordance with Chapter IVZA of the Local Government Finance Act 1992 and associated regulations as set out in table 2.
 - (vi) The reserves allocations as set out in paragraph 3.24 and table 2.
 - (vii) The Prudential Indicators as set out in Appendix 12 to this report.
- (2) If recommendation 2.1 is not agreed, further savings as set out in Appendix 9 be agreed (these being sufficient to enable a Council Tax freeze in the Brighton & Hove element of the council tax after taking account of the Freeze Grant available from Government) including consequential adjustments to the reserves allocations and prudential borrowing limits as set in paragraphs **Error! Reference source not found.** and Appendix 12, and subject to modifications as necessary to be undertaken by officers following consultation with relevant members and that Council agrees a revised council tax resolution to reflect that;
- (3) If neither recommendation 2.1 nor 2.2 are agreed, that Council adopts a Threshold Budget of 2%, which represents the threshold above which a referendum would be triggered, including the consequential adjustments to the reserves allocations and prudential

borrowing limits.

[Note: This option uses the Substitute budget savings package and would therefore be the same as the substitute budget proposals with the exception of the difference in one-off costs between these two budget options. The one-off costs comprise the cost of holding the referendum and timing differences for implementation, as set out in Appendix 10.].

- (4) That Council agree the fees and charges referred to Council as outlined in paragraph **Error! Reference source not found.** and **Error! Reference source not found.**;
- (5) That Council note the Equalities Impact Assessments to cover all budget options and their cumulative effect are set out in Appendices 13 and 14;
- (6) That Council approves the borrowing limit for the year commencing 1 April 2015 of £379m;
- (7) That Council approves the annual Minimum Revenue Provision statement as set out in Appendix 11;
- (8) The proposed responses to the scrutiny recommendations as set out in Appendix 17;
- (9) That Council note the revised Medium Term Financial Strategy and resource projections for 2015/16 to 2019/20 as set out in Appendix 5;
- (10) That Council note that supplementary information needed to set the overall council tax will be provided for the budget setting Council as listed in paragraph **Error! Reference source not found.**;
- (11) That, for the purposes of enacting an extended business rates transitional relief scheme announced in the Autumn Statement 2014, Council grant delegated authority to the Executive Director of Finance & Resources to design and administer the scheme in accordance with government guidelines as set out in paragraph **Error! Reference source not found.**; and
- (12) That if recommendation (1) above, is agreed, the referendum be held on 7th May 2015.

RESOLVED: That officers be authorised to make any necessary technical, presentational or consequential amendments to the report before its submission to full Council.

ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

The council is under a statutory duty to set its budget and council tax before 11 March each year. The options and recommendations to Budget Council contained within this report together with the recommendations to follow in the supplementary report to full Council, should enable the council to meet its statutory duty.

CONCLUSION

- 1.1 The budget process allows all parties to put forward viable alternative budget and council tax proposals to Budget Council on 26 February 2015. Budget Council has the opportunity to debate both the proposals recommended by Policy & Resources Committee at the same time as any viable alternative proposals. All budget amendments must have been “signed off” by finance officers no later than 12 noon on Monday 23 February 2015.
- 1.2 The Administration has put forward a referendum budget proposal and required associated substitute budget. However, should this not be accepted, other recommended options are available for consideration and savings proposals have been identified in Appendix 9 that are sufficient to enable the Council to opt for a council tax freeze which requires additional savings of £0.918m after taking into account government council tax freeze grant.
- 1.3 If that is not accepted, a further option is to adopt a Threshold Budget of 2%, which represents the threshold above which a referendum would be triggered. This option uses the Substitute budget savings package and would therefore be the same as the substitute budget proposals, with the exception of the difference in one-off costs between these two budget options. The one-off costs comprise the cost of holding the referendum and timing differences for implementation, as set out in Appendix 10. By amendment, Members may use any of the further savings identified in Appendix 9 to replace proposals within this Threshold budget savings package.
- 1.4 Policy and Resources Committee on the 22 January 2015 considered the following Notice of Motion (NOM) requesting officers to bring proposals to the next meeting of the committee, as part of the budget 2015/16 proposals, the effect of which would be to:
 - a) Retain the current £400k contract with the Brighton & Hove Youth Collective until it expires in October 2015 instead of terminating it 6 months early as proposed in the 4th December Budget Update and Savings 2015/16 report to this Committee. Identify the appropriate amount of one-off funding to enable this to happen;
 - b) Transfer £22,500 (half of their annual combined grant of £45k) to Allsorts, BME Young People’s Project and Extratime in order to enable them to continue providing their services after April 2015, when their current Council grant funding stops;
 - c) Examine how services currently provided by Allsorts, BME Young People’s Project and Extratime can be best integrated within the overall Youth Service budget; between now and October 2015 hold an open and transparent re-commissioning of all Council-funded Youth Services within the agreed budget envelope, with a genuine level playing field for

all providers who express an interest in running the contract(s).

- 1.5 With regard to point a) of the NOM it should be noted that the Administration's budget proposals no longer include savings proposals in relation to the Youth Collective. With regard to point b) of the NOM, further savings options are provided at Appendix 9 which may be taken in whole or in part and put forward as amendments to budget proposals to achieve the required saving needed to provide funding of £22,500 to the organisations listed.
- 1.6 With regard to point c) of the NOM it has already been agreed to meet with representatives from the Youth Collective and from Allsorts on behalf of the youth equality sector to discuss the future of youth provision within the city. The starting point for the meeting will be to consider what outcomes and impact we are looking for. Currently, both the community & voluntary sector and the city council provide youth provision and some mix of provision is likely in the future. As the commissioner of services, the council will need to be assured of the quality of provision, whoever provides it. Our expectation is that following an initial meeting, there will then follow a fuller review of youth provision within the city which will conclude in Autumn 2015. Any proposals developed would need to be considered by the Children's Committee.

Proper Officer:

Date: 16 February 2015

Mark Wall, Head of Democratic Services

Signed:



CALL-IN FOR SCRUTINY

Note: This decision will come into force at the expiry of 5 working days from the date of the meeting at which the decision was taken subject to:

- (i) any requirement for earlier implementation of the decision or,
- (ii) the decision being called in for review by 5 Members from two or more Groups represented on the Council.

12 February 2015

This record relates to Agenda Item 139

RECORD OF HOUSING COMMITTEE

POLICY & RESOURCES COMMITTEE DECISION

SUBJECT: HOUSING REVENUE ACCOUNT
BUDGET 2015/16

AUTHOR: SUE CHAPMAN

THE DECISION

That the Committee:

- (a) Approves and recommends to Council the budget for 2015/16 as shown in Appendix 1.
- (b) Approves a rent increase of 2.2% in line with government guidance.
- (c) Approves the changes to fees and charges as detailed in Appendix 2.
- (d) Notes the Medium Term Financial Strategy shown in Appendix 3.

ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

The Local Government and Housing Act 1989 requires each local authority to formulate proposals relating to income from rent and charges, expenditure on repairs, maintenance, supervision and management and any other prescribed matters in respect of the HRA. In formulating these proposals using best estimates and assumptions the Authority must set a balanced account. This budget report provides a breakeven budget and recommends rent increases in line with current government guidance.

CONCLUSION

The budget process allows all parties to engage in the scrutiny of budget proposals and put forward viable alternative budget proposals to Budget Council on 26 February 2015. Budget Council has the opportunity to debate both the proposals recommended by Policy & Resources Committee at the same time as any viable alternative proposals.

Rents have been set in accordance with the government's Social Housing Rents guidance. In previous years, the Housing Subsidy Determination controlled rent setting increases by removing resources from local authorities through non compliance. Although the subsidy system is now abolished, increases in rents above the government's rent policy will be subject to the rent rebate limitation which sets a limit on the level of rent increases. Any increases above this limit would result in a loss of Housing Benefit Subsidy, which is payable by the HRA.

The government's policy for social housing rent is to ensure rents are fair and equitable nationally. Although the authority can set rents at a lower level than rent

guidelines, this would bring the rents out of line with national policy. The government's self financing valuation agreed at April 2012 is based on using the rent restructuring formula and was set at a level to provide a balanced business plan over the next 30 years. Reducing rental increases away from those levels included in the valuation will affect the 30 year Business Plan and therefore reduce the level of resources available to fund future repairs, maintenance and improvement works.

Proper Officer:

Date: 16 February 2015

Mark Wall, Head of Democratic Services

Signed:

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CALL-IN FOR SCRUTINY

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12 February 2015

This record relates to Agenda Item 140

RECORD OF POLICY & RESOURCES COMMITTEE DECISION

SUBJECT: CAPITAL RESOURCES AND CAPITAL
INVESTMENT PROGRAMME 2015/16

AUTHOR: ROB ALLEN

THE DECISION

That the Committee recommends to Council the following: –

- 1.7 **The draft Capital Investment Strategy 2015 to 2025 as shown in Appendix 4.**
- 1.8 The Capital Investment Programme for 2015/16 in Appendix 1.
- 1.9 Note the estimated capital resources in future years as detailed in Appendix 1.
- 1.10 To allocate £0.25m resources in 2015/16 for the Strategic Investment Fund for the purposes set out in paragraph **Error! Reference source not found.**
- 1.11 To allocate £2.0m for the ICT fund.
- 1.12 To allocate £1.0m for the Asset Management Fund.
- 1.13 The proposed use of council borrowing as set out in paragraph 3.34 and Appendix 3.

ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

The council is under a statutory duty to set its council tax and budget before 11 March each year. The recommendations to Budget Council contained within this report together with the recommendations in the revenue budget report, will enable the council to meet its statutory duty.

CONCLUSION

The budget process allows all parties to put forward viable alternative capital investment proposals to Budget Council on 26 February 2015. Budget Council has the opportunity to debate both the proposals put forward by Committee at the same time as any viable alternative proposals. All budget amendments must have been “signed off” by finance officers no later than 12.00 noon on Monday 23 February.

Proper Officer:

Date: 16 February 2015

Mark Wall, Head of Democratic Services
Signed: _____



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12 February 2015

This record relates to Agenda Item 141

RECORD OF HOUSING COMMITTEE

POLICY & RESOURCES COMMITTEE DECISION

SUBJECT: HOUSING REVENUE ACCOUNT
CAPITAL PROGRAMME 2015-2018

AUTHOR: BENJAMIN BEN'OKAGBUE

THE DECISION

That the Committee approves the HRA capital programme budget of £41.034 million and financing for 2015/16 as set out in paragraph 4.3.

ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

The Local Government and Housing Act 1989 requires each Local Authority to formulate proposals relating to capital expenditure in respect of the HRA. The council's constitution and financial regulations require that capital budgets are approved through the Committee system.

CONCLUSION

No alternative options have been considered.

Proper Officer:

Date: 16 February 2015

Mark Wall, Head of Democratic Services

Signed:



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12 February 2015

This record relates to Agenda Item 142

RECORD OF POLICY & RESOURCES COMMITTEE DECISION

SUBJECT: TARGETED BUDGET MANAGEMENT
(TBM) 2014/15 MONTH 9

AUTHOR: JEFF COATES

THE DECISION

- 1) That the Committee note the forecast outturn position for the General Fund, which is an overspend of £0.541m. This consists of £0.146m on council controlled budgets and £0.395m on the council's share of the NHS managed Section 75 services.
- 2) That the committee delegate authority to the Director of Finance & Resources and the Head of Law to make a loan of £0.045m to South East Dance as set out in paragraph 3.22 and 3.23 subject to satisfactory terms being agreed.
- 3) That the Committee note the forecast outturn for the Housing Revenue Account (HRA), which is an underspend of £0.541m.
- 4) That the Committee note the forecast outturn position for the Dedicated Schools Grant which is an underspend of £1.097m.
- 5) That the Committee note the forecast outturn position on the capital programme.
- 6) That the Committee approve the capital programme variations and reprofiles in Appendix 3 and new capital schemes in Appendix 4.

ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

The Month 9 position is important in terms of setting next year's budget and impacts on the one-off resources available to support the 2015/16 budget and provides strong indications of expenditure and demand trends for the current year that need to be checked against planning assumptions for next year. Clearly, there are continuing underlying pressures across services and this has been recognised with substantial service pressure funding of over £6m for next year as set out in the Revenue Budget Report.

To manage this year's position, risk provisions of £1.890m have been released which have improved the in-year forecast significantly and are shown under Corporate Budgets. There have also been reviews of other Corporate Budgets, particularly Financing Costs, which have contributed to an improved position. Since month 7, additional risk share funding has also been agreed with the CCG which has helped to improve the Adult Social Care position by £0.900m while Children's Services continue to identify alternative funding and other mitigating savings to manage the in-year situation, which is also showing an improved forecast. The Executive Leadership Team (ELT) continue to keep the position under close scrutiny and will take appropriate action to reduce spending, manage vacancies and develop

financial recovery plans where necessary to achieve break-even or better by the year-end.

CONCLUSION

The provisional outturn position on council controlled budgets is an overspend of £0.146m. In addition, the council's share of the forecast overspend on NHS managed Section 75 services is £0.395m. Any overspend at the year end will need to be funded from general reserves which would then need to be replenished to ensure that the working balance did not remain below £9.000m. Any underspend would release one off resources that can be used to aid budget planning for 2014/15.

Proper Officer:

Date: 16 February 2015

Mark Wall, Head of Democratic Services

Signed:



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12 February 2015

This record relates to Agenda Item 143

RECORD OF POLICY & RESOURCES COMMITTEE

POLICY & RESOURCES COMMITTEE DECISION

SUBJECT: VOLUNTARY DEDICATION OF LAND UNDER THE COUNTRYSIDE AND RIGHTS OF WAY ACT 2000 (CROW ACT)

AUTHOR: JESSICA HAMILTON

THE DECISION

That the Committee authorises the dedication of land at Home Farm Stanmer and land at St Mary's Farm (identified on the plan at Appendix 1) as public access land in perpetuity under procedures set out in the CRoW Act.

ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

Under the council's City Downland Estate Policy it is the aim to significantly expand the amount of access land adjacent to the urban areas of Brighton & Hove.

In order to protect the public rights of access in perpetuity it is recommended that the land identified in part 2.1 of this report be dedicated voluntarily under the provisions of the CRoW Act.

CONCLUSION

It is possible for the land identified to remain as permissive open access land without the CRoW Act dedication. This would allow the public access to be restricted in the future should new policies support a different approach.

Proper Officer:

Date: 16 February 2015

Mark Wall, Head of Democratic Services

Signed:



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12 February 2015

This record relates to Agenda Item 144

RECORD OF POLICY & RESOURCES COMMITTEE DECISION

SUBJECT: BROOKE MEAD EXTRA CARE
HOUSING – DEVELOPMENT UPDATE

AUTHOR: GEOFF RAW

THE DECISION

That the Committee agrees an increase in the capital programme budget for the delivery of Brooke Mead extra care housing scheme to a maximum amount of £12m financed through unsupported borrowing in the Housing Revenue Account (HRA), Homes & Community Agency (HCA) Grant and a contribution from Adult Social Care, to enable the scheme to start on site before the end of March 2015.

That Committee agrees to appropriate the land at Brooke Mead, Albion Street, Brighton, for planning purposes.

ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

The Brooke Mead extra care housing proposal meets corporate and strategic objectives to increase the supply of suitable housing for older people at an affordable cost. The inflation in projected build costs is consistent with the experience of other construction projects in the city. There is little scope to mitigate these cost increases as funding requirements, the design of the building and community consultation process restrict the additional income generation opportunities derived from the scheme e.g. increased market sales etc.

CONCLUSION

If Members were to decide not to proceed with the scheme, this would not only result in the loss of £2.475m of HCA Grant funding but could damage the council's reputation. The fees associated with the pre-construction phase of the project (circa £0.5m), as well as the investment of officer time in the project, would also be lost.

Withdrawing support for the project would negatively impact on the council's New Homes for Neighbourhoods programme which currently has over 200 residential units (including Brooke Mead) in the pipeline. There would also be a wider economic impact to the city (e.g. construction jobs, supply chain opportunities etc.) as well as the loss of New Homes Bonus and Council Tax revenue which would have been generated through the Brooke Mead development.

Finally, a decision not to proceed would reduce the council's ability to meet its strategic objectives concerning older people in the city. A key objective of the Brooke Mead scheme is to improve care for older people and to provide an alternative housing solution to expensive long term residential care. The delivery of this objective would be jeopardised if the scheme were abandoned at this advanced stage.

Proper Officer:

Date: 16 February 2015

Mark Wall, Head of Democratic Services

Signed:

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12 February 2015

This record relates to Agenda Item 145

RECORD OF POLICY & RESOURCES COMMITTEE

POLICY & RESOURCES COMMITTEE DECISION

SUBJECT: INTEGRATED SEXUAL HEALTH
SERVICE CONTRACT

AUTHOR: STEPHEN NICHOLSON

THE DECISION

That the committee notes the successful outcome of negotiations and intention to award the contract to Brighton and Sussex University Hospitals Trust in partnership with the Sussex Community Trust.

ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

An integrated sexual health service will deliver significant improvements in quality and patient experience. Delivery of the service under a tariff based contract will increase value for money and achieve efficiency savings.

CONCLUSION

The alternative option to the recommendation would be to offer a competitive tender to the open market. This option was considered unlikely to deliver any further improvements in quality or price to those achieved through this negotiation.

Proper Officer:

Date: 16 February 2015

Mark Wall, Head of Democratic Services

Signed:



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12 February 2015

This record relates to Agenda Item 146

RECORD OF POLICY & RESOURCES COMMITTEE

POLICY & RESOURCES COMMITTEE DECISION

SUBJECT: CORPORATE PROCUREMENT OF ELECTRICITY AND GAS SUPPLIES

AUTHOR: LISA DOODY

THE DECISION

That the Committee grant delegated authority to the Assistant Director Property & Design–

- (i) to award a contract effective from 1 October 2016 for a maximum period of four years for the Council's large (over 50kW) electricity supplies from 100% renewable sources and gas supplies through a flexible framework agreement offered by the LASER Energy Buying Group;
- (ii) to award a contract effective from 1 April 2016 for a maximum period of four years for the Council's non half hourly (sub 50kW) electricity supplies from 100 percent renewable sources through a fixed compliant framework agreement;
- (iii) to award a six-month bridging contract with the existing LASER flexible supplier to allow a proportion of the supplies referred to in 2.1 (ii) above to switch to a flexible arrangement from 1st October 2016.

ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

Contracting through a Central Purchasing Body (CPB) offers the Council the best value procurement route.

Following an evaluation of the currently available CPB frameworks the LASER CPB is considered to offer the best route for purchasing the Council's flexible half-hourly electricity and gas requirements from 2016 onwards. Once LASER renew the fixed framework (to be in place from 2016), the Council will go through an evaluation process to ensure this route offers the best value for money.

CONCLUSION

Other Central Purchasing Bodies (CPBs): there are several other CPBs offering energy supply procurement options which are available for the Council to access. These have been evaluated and none offer any advantages over the LASER offer as summarised below:

CPBs	Reason for exclusion
Procurement for Housing	High framework procurement fees compared with LASER and low buying power.
ESPO	Current framework expires in 2016 and no further provision available at this time.
Crown Commercial Service	Higher framework fees than LASER. No provision for making renewable electricity cheaper than the prevailing Climate Change Levy fee (unlike Laser).

Procuring electricity direct with a utility company: the risk of market volatility is reduced by opting for procurement through a CPB which is also considered to represent best value for money due to economies of scale and the CPB's purchasing power.

Energy brokers: the Council is approached regularly by consultancies and energy brokers that secure prices direct from suppliers by monitoring market prices. CPB's do everything the independent energy brokers do but with the added benefit of aggregating large Local Authority portfolios.

Collaborative procurement with other authorities: the Council have led on an exercise to establish the added benefits of procuring its energy supplies jointly with other members of the SE7 local authority group. However of the authorities who expressed an interest in pursuing this all were already with the LASER CPB and the conclusion was that the maximum benefit of joint procurement was already being realised. Grouping energy requirements with other local authorities was also investigated with the other CPB's, only one CPB offered a financial incentive to grouping but the benefits were outweighed by the cost of the framework fees.

Addition of street lighting: The unmetered street lighting supply has historically been procured through the Crown Commercial Services (CCS) framework in conjunction with East Sussex Council and is on a rolling contract. Current spend on this contract is £934k. The unmetered electricity contract has been evaluated and provides value for money compared with the current LASER offer and so no changes or decisions are required. The prices under this contract will be reviewed annually.

Proper Officer:

Date: 16 February 2015

Mark Wall, Head of Democratic Services

Signed:



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