

BRIGHTON & HOVE CITY COUNCIL

BUDGET COUNCIL

6.00pm 5 MARCH 2014

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

Present: Councillors Cobb (Chair), Randall (Deputy Chair), Barnett, Bennett, Bowden, Buckley, Carden, Cox, Daniel, Davey, Deane, Duncan, Farrow, Fitch, Gilbey, Hamilton, Hawtree, Hyde, Janio, Jarrett, A Kitcat, J Kitcat, Lepper, Mac Cafferty, Marsh, Meadows, Mears, Mitchell, Morgan, A Norman, K Norman, Peltzer Dunn, Phillips, Pissaridou, Powell, Robins, Rufus, Shanks, Simson, Smith, Summers, Sykes, C Theobald, G Theobald, Wakefield, Wealls, Wells, West and Wilson.

PART ONE

84. DECLARATIONS OF INTEREST

- 84.1 The Mayor noted that as it was a separate meeting to the previous Budget Council on the 27th February, those Members wishing to declare an interest should do so again in respect of the budget reports before the Council for consideration at the present meeting.
- 84.2 Councillor Davey declared a pecuniary interest in Item 86, General Fund Revenue Budget & Council Tax 2014/15, for which he had been granted dispensation, as his wife worked in the Adult Social Care.
- 84.3 Councillor Hamilton declared a personal and non-prejudicial interest in Item 79, General Fund Revenue Budget & Council Tax 2014/15 as his daughter worked part-time for the council.
- 84.4 Councillor Powell declared a personal and non-prejudicial interest in item 79, General Fund Revenue Budget & Council Tax 2014/15 as she worked for Brighton & Hove Federation for Disabled; and was an active Unison Member all of which were affected by the budget proposals.
- 84.5 Councillor C. Theobald declared a personal and non-prejudicial interest in Item 79, General Fund Revenue Budget & Council Tax 2014/15 as she was the president of Mencap, Brighton & Hove
- 84.6 Councillor Janio declared a personal and non-prejudicial interest in Item 79, General Fund Revenue Budget & Council Tax 2014/15 as his wife held a Trader's Permit, which was affected by the budget proposals.

84.7 The Mayor noted that there were no other declarations of interests in matters appearing on the agenda.

85. MAYOR'S COMMUNICATIONS.

85.1 The Mayor stated that Procedural Rules would need to be suspended for Items 86 to 89 to the extent necessary to enable the business to be dealt with as set out in the procedural note circulated as part of the addendum. She was also minded to use the electronic voting system only for the vote on the amendments and the substantive budget as had been the case at the meeting the previous week. The vote of each individual councillor would be recorded in the minutes to comply with the new regulations and she hoped Members would agree that the use of electronic voting or recorded votes would not be necessary for other purposes.

85.2 The Mayor stated that before she moved the adoption of the budget procedural rules for the present meeting, she wished to remind Members that there was a legal duty on the Council to set a budget for the 2014/15 financial year. This positive duty to set a budget meant that the normal rule whereby, if the Council fails to agree a proposal, the status quo prevails, was not an option. She hoped that the council would be able to set a lawful budget in the first round this evening. In the unlikely event of Council failing to agree the substantive budget in the first round of votes, there would be an adjournment and any Political Group or Groups would be able to put alternative amendments. For the purposes of today, the requirement under procedure rule 13.7 which states that Council cannot reverse a decision taken in the previous 6 months shall not apply.

85.3 The Mayor stated that the proposed special budget procedure rules were detailed in the papers before Members and she then moved that the Council procedure rules be suspended to the extent necessary to enable the meeting to be conducted under the rules as modified by the annexe and the procedural note as circulated.

85.4 The motion was **carried**.

86. GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2014/15

86.1 The Mayor noted that all three budget areas listed as Items 86, 87 and 89, along with Item 88 Supplementary Financial Information, had been fully debated at the previous Budget Council meeting on the 27th February. She therefore stated that having received notification of two amendments in relation to the General Fund Revenue Budget & Council Tax, she proposed that these should be moved and seconded without any further debate, following which she would put the amendments to the vote prior to moving to the votes on the substantive items. The Mayor then invited Councillor J. Kitcat to propose the Administration's budget for 2014/15, along with the Green Group's amendment.

86.2 Councillor Kitcat stated that he wished to thank all the officers involved in enabling the council to reach the current position and to be able to consider the budget proposals for 2014/15. He stated that he wished to move an amendment on behalf of the Green Group which would enable a council tax increase of 4.75% and trigger a referendum. The council faced a very difficult situation having previously approved a council tax

freeze last year; it could only increase council tax by 1.99% without having to hold a referendum. However, that was not sufficient to enable the services expected by residents to be maintained and supported and would result in significant changes to how services were provided should the council decide not to accept the Green amendment. He believed that a decision to increase council tax by 4.75% would stimulate debate and enable an open and honest discussion to be held so that residents could then take a democratic decision. He also hoped that the parties represented on the council would be able to come together for the benefit of the city and work together towards next year's budget which was likely to be an even more difficult process.

- 86.3 Councillor Davey formally seconded the amendment.
- 86.4 The Mayor then invited Councillor J. Kitcat to move the joint Green, Conservative and Labour & Co-operative Groups' amendment.
- 86.5 Councillor Kitcat formally moved the joint amendment and stated that he was pleased to see that the three Groups had been able to come to a consensus for the amendment.
- 86.6 Councillor G. Theobald formally moved and seconded the joint amendment and stated that the Conservative Group could not support the Green Group's amendment. The Conservative Group believed that a council tax freeze could be achieved and with it services provided to meet the needs of the city. He did not believe that a referendum would result in support for a council tax increase and noted that the government grant of £1.2m would be built into future grant provision should a council tax freeze be approved. He therefore wished to urge the council to approve a council tax freeze.
- 86.7 Councillor Morgan formally moved and seconded the joint amendment and noted that there had been a great deal of time spent on debating the merits of a council tax freeze and an increase. He hoped that an agreement would be reached at the present meeting and an increase of 1.99% approved as it was the right thing to do.
- 86.8 The Mayor then asked for the electronic voting system to be activated and put the Green amendment to the vote.

	For	Against	Abstain		For	Against	Abstain
Barnett		X		Marsh		X	
Bennett		X		Meadows		X	
Bowden	√			Mears		X	
Brown – absent				Mitchell		X	
Buckley	√			Morgan		X	
Carden		X		A Norman		X	
Cobb		X		K Norman		X	
Cox		X		Peltzer Dunn		X	
Daniel		X		Phillips	√		

Davey	√			Pidgeon – absent			
Deane	√			Pissaridou		X	
Duncan	√			Powell	√		
Farrow		X		Randall	√		
Fitch		X		Robins		X	
Gilbey		X		Rufus	√		
Hamilton		X		Shanks	√		
Hawtree	√			Simson		X	
Hyde		X		Smith		X	
Janio		X		Summers	√		
Jarrett	√			Sykes	√		
Jones - absent				C Theobald		X	
Kennedy - absent				G Theobald		X	
A Kitcat	√			Wakefield	√		
J Kitcat	√			Wealls		X	
Lepper		X		Wells		X	
Littman - absent				West	√		
MacCafferty	√			Wilson		X	
				Total	19	30	

86.9 The Mayor confirmed that the motion had been **lost** by 19 votes to 30 votes.

86.10 The Mayor then put the Green, Conservative and Labour & Co-operative Groups' joint amendment to the vote.

	For	Against	Abstain		For	Against	Abstain
Barnett	√			Marsh	√		
Bennett	√			Meadows	√		
Bowden	√			Mears	√		
Brown - absent				Mitchell	√		
Buckley	√			Morgan	√		
Carden	√			A Norman	√		
Cobb	√			K Norman	√		

Cox	√			Peltzer Dunn	√		
Daniel	√			Phillips	√		
Davey	√			Pidgeon - absent			
Deane	√			Pissaridou	√		
Duncan	√			Powell	√		
Farrow	√			Randall	√		
Fitch	√			Robins	√		
Gilbey	√			Rufus	√		
Hamilton	√			Shanks	√		
Hawtree	√			Simson	√		
Hyde				Smith	√		
Janio	√			Summers	√		
Jarrett	√			Sykes	√		
Jones - absent				C Theobald	√		
Kennedy - absent				G Theobald	√		
A Kitcat	√			Wakefield	√		
J Kitcat	√			Wealls	√		
Lepper	√			Wells	√		
Littman - absent				West	√		
MacCafferty	√			Wilson	√		
				Total	49	0	0

86.11 The Mayor confirmed that the amendment had been **carried** by 49 votes to 0 votes.

86.2 The Mayor then put the recommendations affecting the General Fund and Revenue Budget 2014/15 as amended to the vote.

	For	Against	Abstain		For	Against	Abstain
Barnett		X		Marsh	√		
Bennett		X		Meadows	√		
Bowden	√			Mears		X	
Brown - absent				Mitchell	√		
Buckley			Ø	Morgan	√		

Carden	√			A Norman		X	
Cobb		X		K Norman		X	
Cox		X		Peltzer Dunn		X	
Daniel	√			Phillips		X	
Davey	√			Pidgeon - absent			
Deane	√			Pissaridou	√		
Duncan		X		Powell			Ø
Farrow	√			Randall	√		
Fitch	√			Robins	√		
Gilbey	√			Rufus	√		
Hamilton	√			Shanks	√		
Hawtree	√			Simson		X	
Hyde		X		Smith		X	
Janio		X		Summers	√		
Jarrett			Ø	Sykes	√		
Jones – absent				C Theobald		X	
Kennedy – absent				G Theobald		X	
A Kitcat	√			Wakefield		X	
J Kitcat	√			Wealls		X	
Lepper	√			Wells		X	
Littman - absent				West	√		
MacCafferty		X		Wilson	√		
				Total	26	20	3

86.3 The Mayor confirmed that the motion had been **carried** by 26 votes to 20 votes with 3 abstentions.

86.4 **RESOLVED:**

- (1) That the core elements of the 2014/15 General Fund Revenue Budget proposals contained in the body of this report which have been based on a threshold council tax increase, subject to recommendation (4) below, be approved, including (i) – (ix) and the amended resolution (x) below:

- (i) The 2014/15 budget allocations to services as set out in appendix 1.

- (ii) The council's net General Fund budget requirement for 2014/15 of £225.3m.
- (iii) The budget savings package as set out in appendix 4.
- (iv) The contingency budget of £4.37m as set out in table 8.
- (v) The reserves allocations as set out in paragraph 3.39 and table 6.
- (vi) The borrowing limit for the year commencing 1 April 2014 of £380m.
- (vii) The annual Minimum Revenue Provision statement as set out in appendix 10.
- (viii) The Prudential Indicators as set out in appendix 11 to this report.
- (ix) The proposed responses to the scrutiny recommendations as set out in appendix 16.
- (x)

BUDGET COUNCIL 5 MARCH 2014 - AMENDED RESOLUTION

General Fund Revenue Budget 2014/15

Formal Council Tax Resolution

- 1
(a) That it be noted that at on 16 January 2014 the Council calculated the Council Tax Base 2014/15 for the whole Council area as 81,359.20 (Item T in the formula in Section 31B of the Local Government Finance Act 1992 (the "Act")); and
- (b) for dwellings in those parts of its area to which special items relate: -
 - Rottingdean Parish – 1,467.50
 - Hanover Crescent Enclosure – 40.70
 - Marine Square Enclosure – 65.40
 - Royal Crescent Enclosure – 30.10
- 2 Calculate that the Council Tax requirement for the Council's own purposes for 2014/15 (excluding Parish precepts) is £106,816,000
- 3 That the following amounts be calculated for the year 2014/15 in accordance with Sections 31 to 36 of the Act:
 - (a) £719,403,474 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) £612,545,549 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £106,857,925 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) £1,313.41 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) £67,490 being the aggregate amount of all special items referred to in Section 34(1) of the Act
- (f) £1,312.58 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by 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) Parts of the Council's area
- | | |
|-----------|--------------------|
| £1,341.15 | Rottingdean Parish |
| £1,492.85 | Hanover Crescent |
| £1,479.20 | Marine Square |
| £1,556.13 | 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

Valuation Band:		A*	A	B	C	D	E	F	G	H
Parts of the Council's area		£	£	£	£	£	£	£	£	£
Rottingdean Parish		745.08	894.10	1,043.12	1,192.13	1,341.15	1,639.18	1,937.22	2,235.25	2,682.30
Hanover Crescent		829.36	995.23	1,161.11	1,326.98	1,492.85	1,824.59	2,156.34	2,488.08	2,985.70
Marine Square		821.78	986.13	1,150.49	1,314.84	1,479.20	1,807.91	2,136.62	2,465.33	2,958.40
Royal Crescent		864.52	1,037.42	1,210.32	1,383.23	1,556.13	1,901.94	2,247.74	2,593.55	3,112.26
All other parts of the the		729.2	875.05	1,020.9	1,166.7	1,312.5	1,604.26	1,895.9	2,187.6	2,625

councils area	1	0	4	8	5	3	.16
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* Entitled to disabled relief

4

To note that the Police and 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	78.40	94.08	109.76	125.44	141.12	172.48	203.84	235.20	282.24

* Entitled to disabled relief

Band:	A*	A	B	C	D	E	F	G	H
East Sussex Fire Authority	46.36	55.63	64.91	74.18	83.45	101.99	120.54	139.08	166.90

* Entitled to disabled relief

5

That the Council, in accordance with Section 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 2014/15 for each part of its area and for each of the categories of dwellings.

Valuation Band: Parts of the Council's area	A*	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£	£
Rottingdean Parish	869.84	1,043.81	1,217.79	1,391.75	1,565.72	1,913.65	2,261.60	2,609.53	3,131.44
Hanover Crescent	954.12	1,144.94	1,335.78	1,526.60	1,717.42	2,099.06	2,480.72	2,862.36	3,434.84
Marine Square	946.54	1,135.84	1,325.16	1,514.46	1,703.77	2,082.38	2,461.00	2,839.61	3,407.54
Royal Crescent	989.28	1,187.13	1,384.99	1,582.85	1,780.70	2,176.41	2,572.12	2,967.83	3,561.40
All other parts of the the councils area	853.97	1,024.76	1,195.57	1,366.36	1,537.15	1,878.73	2,220.33	2,561.91	3,074.30

* Entitled to disabled relief

6

Pursuant to Section 52ZB of the Local Government Finance Act 1992 the Council

determines that its relevant basic amount of council tax for the financial year 2014/15 is not excessive as measured against the principles determined by the Secretary of State pursuant to section 52ZC of the 1992 Act.

- (2) That the Equalities Impact Assessments set out in Appendix 13 to the report be noted;
- (3) That the revised Medium Term Financial Strategy and resource projections for 2014/15 to 2019/20 as set out in appendix 8 to the report be noted;

- (4) That it be noted that supplementary information needed to set the overall council tax will be provided for the budget setting Council as listed in paragraph 4.4 of the report; and
- (5) **That for the purposes of enacting the Business Rates discount and relief changes announced in the government's Autumn Statement 2013, delegated authority be granted to the Executive Director of Finance & Resources to design and administer the scheme in accordance with government guidelines as set out in paragraph 3.17 of the report.**

87. SUPPLEMENTARY FINANCIAL INFORMATION FOR BUDGET COUNCIL 2014

87.1 The Mayor noted that Item 87 had been taken with Item 86 for the purposes of approving the General Fund Revenue Budget & Council Tax 2014/15 and the resolution was as set out under Item 86 (above).

88. CAPITAL RESOURCES AND CAPITAL INVESTMENT PROGRAMME 2014/15

86.1 The Mayor then asked for the electronic voting system to be activated and put the recommendations affecting the Capital Resources and Capital Investment Programme 2014/15 to the vote.

	For	Against	Abstain		For	Against	Abstain
Barnett		X		Marsh	√		
Bennett		X		Meadows	√		
Bowden	√			Mears		X	
Brown - absent				Mitchell	√		
Buckley	√			Morgan	√		
Carden	√			A Norman		X	
Cobb			∅	K Norman		X	
Cox		X		Peltzer Dunn		X	
Daniel	√			Phillips	√		
Davey	√			Pidgeon - absent			
Deane	√			Pissaridou	√		
Duncan	√			Powell	√		
Farrow	√			Randall	√		
Fitch	√			Robins	√		
Gilbey	√			Rufus	√		
Hamilton	√			Shanks	√		
Hawtree	√			Simson		X	

Hyde		X		Smith		X	
Janio		X		Summers	√		
Jarrett	√			Sykes	√		
Jones – absent				C Theobald		X	
Kennedy – absent				G Theobald		X	
A Kitcat	√			Wakefield	√		
J Kitcat	√			Wealls		X	
Lepper	√			Wells		X	
Littman - absent				West	√		
MacCafferty	√			Wilson	√		
				Total	33	15	1

86.2 The Mayor confirmed that the motion had been **carried** by 33 votes to 15 with one abstention.

86.3 RESOLVED:

- (1) That the Capital Investment Programme for 2014/15 in Appendix 1 to the report be approved;
- (2) That the estimated capital resources in future years as detailed in Appendix 1 to the report be noted;
- (3) That the allocation of £0.25m resources in 2014/15 for the Strategic Investment Fund for the purposes set out in paragraph 3.15 of the report be approved;
- (4) That the allocation of £2.0m for the ICT fund be approved;
- (5) That the allocation of £1.0m for the Asset Management Fund be approved; and
- (6) That the proposed use of council borrowing as set out in paragraph 3.31 and appendix 3 to the report be approved.

89. HOUSING REVENUE ACCOUNT BUDGET 2014/15

86.4 The Mayor then asked for the electronic voting system to be activated and put the recommendations affecting the Housing Revenue Account Budget 2014/15 to the vote.

	For	Against	Abstain		For	Against	Abstain
Barnett		X		Marsh	√		

Bennett		X		Meadows	√		
Bowden	√			Mears		X	
Brown - absent				Mitchell	√		
Buckley	√			Morgan	√		
Carden	√			A Norman		X	
Cobb			∅	K Norman		X	
Cox		X		Peltzer Dunn		X	
Daniel	√			Phillips	√		
Davey	√			Pidgeon - absent			
Deane	√			Pissaridou	√		
Duncan	√			Powell	√		
Farrow	√			Randall	√		
Fitch	√			Robins	√		
Gilbey	√			Rufus	√		
Hamilton	√			Shanks	√		
Hawtree	√			Simson		X	
Hyde		X		Smith		X	
Janio		X		Summers	√		
Jarrett	√			Sykes	√		
Jones – absent				C Theobald		X	
Kennedy – absent				G Theobald		X	
A Kitcat	√			Wakefield	√		
J Kitcat	√			Wealls		X	
Lepper	√			Wells		X	
Littman - absent				West	√		
MacCafferty	√			Wilson	√		
				Total	33	15	1

86.5 The Mayor confirmed that the motion had been **carried** by 33 votes to 15 with one abstention.

86.6 **RESOLVED:**

- (1) That the budget for 2014/15 as shown in Appendix 1 to the report according to the final year of rent convergence to be confirmed by the government in its rent restructuring guidance for 2014/15 be approved;
- (2) That individual rent increases and decreases in line with rent restructuring principles as determined by the Government and detailed in paragraphs 3.12 to 3.16 in the report and according to the final year of rent convergence to be confirmed by government in its rent restructuring guidance for 2014/15 be approved;
- (3) That the changes to fees and charges as detailed in Appendix 2 to the report, subject to the mobility scooter storage charge being set at £3.00 per week rather than £4.00 be approved; and
- (4) That the new service charges outlined in Appendix 2 to the report, subject to the revision in (3) above, including the phased implementation of the new Intensive Housing Management charge be approved; and
- (5) That the Equalities Impact Assessment shown in appendix 3 to the report be noted.

90. CLOSE OF MEETING

90.1 The Mayor thanked everyone for attending and closed the meeting.

The meeting concluded at 6.35pm

Signed

Chair

Dated this

day of

2014