

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.

