

POLICY AND RESOURCES COMMITTEE.

Green Group Amendment

Amendment 1-

Amend the General Fund budget to reflect the change below:

- Retain two specialist contract management posts, at a cost of £0.090m
- These posts are planned to be self-funding from the savings they generate by focussing on procurement and contract management primarily within Health and Adult Social Care, city clean, transport and highways and housing mechanical and electrical.

Proposed by Cllr David Gibson

Seconded by Cllr Phélim MacCafferty

Chief Finance Officer Comments:

The Procurement & Contract Management team has been augmented with additional Contract Management Specialists over the last 3 years through a combination of £0.400m one-off Modernisation Fund resources together with £0.600m one-off resources from a budget amendment in 2017/18 to divert resources from the Digital First capital programme. The Modernisation Fund for 2020/21 to 2023/24 is of a significantly lower value and the demands on the fund will not currently allow for the same level of investment.

However, the budget proposals for 2020/21 do include £0.171m for the Corporate Procurement Team to partially replace Modernisation Fund resources and protect provision as far as possible. This is set out in Table 4, Page 42 of the General Fund budget report on this agenda (Item 127).

The proposed amendment to provide additional contract management will be a cost on the services to which the support is directed, which will therefore rely on these posts generating additional budget savings at least sufficient to cover the cost of the posts to avoid budgetary impact on those service areas. Contract management work over the past three years has led to services being able to offer budget savings to varying degrees and therefore while this is a reasonable presumption there is always a risk of underachievement.

Amendment 2

Amend the General Fund budget to reflect the change below:

- Increase borrowing by £3m to provide additional General Fund capital funding in 2020/21, at an estimated financing cost of £0.117m; over 50 years;
- Based on a viable business case, use the £3m General Fund (GF) capital funding to purchase accommodation for use as supported housing delivery, reducing spend on leasing with other landlords and thereby a) reducing the financial pressure on the GF ASC budget and b) enabling funding of the financing costs from GF savings

Proposed by: Cllr David Gibson

Seconded by Cllr Phélim MacCafferty

Chief Finance Officer Comments:

This capital investment is wholly reliant on a viable business case that can demonstrate the revenue streams from the scheme are able to, as a minimum, cover the estimated financing costs. This will require a separate report to Housing Committee and Policy & Resources Committee in order to obtain the required approval to proceed.

Amendment 3 – General Fund

Amend the General Fund budget to reflect the changes below:

- Remove the subsidy to Councillors' parking at car parks at Norton Road, Hove and The Lanes, Brighton, releasing £0.033m in recurrent funding;
- If this proposed change is accepted by the Independent Remuneration Panel (IRP) and approved by Council, apply the £0.033m funding to provide short breaks for carers of disabled children.

Proposed by: Cllr David Gibson Seconded by Cllr Phélim MacCafferty

Chief Finance Officer Comments:

This amendment is financially viable and as stated in the wording of the amendment is conditional on a positive recommendation from the IRP and subsequent approval of the full Council.

Amendment 4 – General Fund Reserves

Amend the General Fund budget to reflect the changes below:

- In the light of failure to spend the Winter Maintenance Reserve in previous years, reduce the provision by £0.296m
- Allocate the £0.276m released over 2 years, to provide funding for 12 additional Housing First Placements for homeless people in 2020/21 and 2021/22
- Allocate £0.010m to fund secure covered cycle storage feasibility and demand assessment
- Allocate £0.010m for a Warmer Homes feasibility study, to explore options for a funded, council-led programme (especially insulation) to tackle fuel poverty

Proposed by: Cllr David Gibson

Seconded by Cllr Phélim MacCafferty

Chief Finance Officer Comments:

This is not a statutory reserve and members are free to reduce this reserve if they wish, with the clear understanding that it may need to be replenished in future for a harsh winter, therefore potentially requiring identification of one-off resources in future budget rounds.

A further concern relates to in-year financial performance (i.e. TBM position). The TBM month 9 report, also on this agenda (Item 128), indicates a forecast risk in 2019/20 of £3.355m, principally due to pressures on Adult Social Care budgets. The General Fund budget report, also on this agenda (Item 127), demonstrates in Table 3 (page 37) how the majority of this risk can be addressed but this still leaves a residual forecast risk of £0.884m to manage. As stated in the report, it is anticipated that this can be managed down by year-end through spending controls and effective financial management. However, if it cannot be eliminated by year-end, it is non-statutory reserves, such as the Winter Maintenance reserve, that officers would potentially recommend drawing on in the first instance.

Members should further consider either deferring this amendment until the provisional outturn position is clear, which is usually reported to the June Policy & Resources Committee or alternatively, making the amendment conditional on the TBM outturn position achieving at least an improvement of £0.884m by year-end.

Amendment 5 – General Fund

The following is conditional on the Green Group amendment to Item 133 being agreed:

If the amendment to Item 133 regarding the increase to car park fees is agreed, it would raise an estimated £0.123m recurrent income. Of this:

- Use £0.052m to create a SUDs (Sustainable Urban Drainage) officer post
- Use £0.047m to create a biodiversity officer post
- Use £0.024m to create 0.5 FTE Tree Officer post to facilitate tree planting in parks.

Proposed by: Cllr David Gibson Seconded by Cllr Phélim MacCafferty

Chief Finance Officer Comments:

The revenues generated by the amendment to Item 133 of the agenda, if approved, have been assessed by Parking Services as potentially achievable.

For clarity, net additional income raised from off-street parking is not subject to Section 55 of the Road Traffic Regulation Act 1984, as amended, regulating the use of any on-street parking surplus.

Amendment 6 General Fund and HRA

1) By capitalising the legal costs from the HRA capital programme for related capital schemes, restore a legal officer post at a cost of £0.060m pa to meet the extra demands of the expanded HRA home purchase programme in 2020/21 and housing supply ambitions to achieve 800 additional council homes by 2023.

2) Use in-house legal team to pursue action against landlords who have failed to achieve an Energy Performance Certificate (EPC) rating E by April 2020 by creating a legal post within the service at an estimated cost of £0.060m pa

The related fine income resulting from this action will be reflected in the General Fund Housing Service, estimated to be £0.060m. This income will release general fund resources of £0.060m to fund the additional post in Legal Services.

3) Use £0.060m HRA revenue funding to restore a legal officer post, to support additional work arising as a result of the 'Homes (Fitness for Human Habitation) Act 2018. This will be funded in 2020/21 from a contribution from the HRA working balance and then funded on an ongoing basis as part of future budgets.

Proposed by: Cllr David Gibson

Seconded by Cllr Phélim MacCafferty

Chief Finance Officer Comments:

Capitalisation of legal costs relating to the delivery of a capital asset is an allowable capital expense as proposed in relation to the Home Purchase scheme. However, these costs would need to be factored into the business case for the Home Purchase programme as normal.

With regard to legal support to pursue action against landlords who have failed to achieve an EPC rating E by April 2020, it is difficult to estimate precisely the actual income from fines that may arise from fining non-compliant landlords, however, there are estimated to be over 1,700 properties that are potentially non-compliant and therefore the risk on non-achievement would appear to be relatively low.

The HRA budget contains sufficient reserves above the recommended minimum level to support the proposed additional legal support for work arising from the Homes (Fitness for Human Habitation) Act 2018.