

Brighton and Hove City Council

COUNCIL

Agenda Item 91

Subject: General Fund Revenue Budget, Capital & Treasury Management Strategy 202/24

Date of Meeting: 23 February 2023

Contact Officer: Name: Lisa Johnson
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Wards Affected: All Wards

FOR GENERAL RELEASE

Action Required of Council:

To receive the report from the Policy & Resources Committee for consideration and the recommendations for approval

Recommendations:

1. That Council approves 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 2.99%;
 - ii) An Adult Social Care Precept increase of 2.00%;
 - iii) The council's net General Fund budget requirement for 2023/24 of £232.385m;
 - iv) The 2023/24 budget allocations to services as set out in Appendix 1;
 - v) The Budget Strategies and proposed savings as set out in Appendix 1;
 - vi) The one-off resource allocations as set out in the table at paragraph 5.14.
 - vii) A recommended working balance of £9.000m (approximately 3.9% of the net budget) to be maintained over the period of the Medium Term Financial Strategy.
 - viii) Approves, in principle, to consideration of introducing a 100% discretionary premium on second homes, subject to the recommendations of an officer report to Policy & Resources Committee as soon as practicable following Royal Assent of the relevant legislation, and application of these resources to replenish the council's reserves within the Medium Term Financial Strategy.
2. That Council notes the updated 4-Year Medium Term Financial Strategy included in Appendix 1 including predicted budget shortfalls of £58m over the 4-year period.

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3. That Council approves the Capital Strategy for 2023/24 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 2023/24 of £211.698m included at Appendix 1 and incorporating allocations to strategic funds.
4. That Council notes the Equalities Impact Assessments to cover all relevant budget options as set out in Appendix 6.
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 18.3.
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 2023 of £607m.
7. That Council notes that supplementary information needed to set the overall council tax, including a detailed Budget Book, will be provided for the budget setting Council meeting as listed in paragraph 12.3.

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Policy & Resources Committee

4.00pm 9 February 2023

Hove Town Hall - Council Chamber

Minutes (Draft)

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

Also present: Dr Anusree Biswas Sasidharan, Standing Invitee

Part One

122 GENERAL FUND REVENUE BUDGET, CAPITAL & TREASURY MANAGEMENT STRATEGY 2023/24

- 122.1 The Committee considered the report of the Chief Finance Officer regarding the General Fund Revenue Budget and the Capital and Treasury Management Strategy 2023/24.
- 122.2 Members referred to the recommendation 2.1(viii) regarding the possible introduction of a 100% discretionary premium on second homes and asked how much income that could potentially generate. The Chief Finance Officer said that officers would need to know exactly what the legislation was and whether the government were able to close any loopholes associated with such a policy, and the possible figure of £2m in the report was speculative,
- 122.3 Members noted the reduction in the working balance as set out in Table 3 and asked what impact that had on the Council's overall financial health and what would happen if the £2m underspend was not achieved. The Chief Finance Officer said that the Council had a working balance and could replenish the £4.9m, but it did reduce the potential ability to meet any unexpected events that may occur in 2023/24 and which was why the Council held a recommended £9m balance.
- 122.4 Members asked for further information on the £210k savings on Supported Employment provision. The Executive Director Families, Children & Learning said that the Supported Employment team supported adults over the age of 20 with

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disabilities into employment, and the saving related to 4.7 FTE posts within that team. The committee were advised that the Youth Employability Service, which worked with young people, would continue.

122.5 In response to a question on the repayment of the loan for the i360, the Chief Finance Officer confirmed that the minimum repayment would be over a twenty-year period. Members noted that the i360 were to provide a business case at the end of January 2023 and asked if the expected payment £1m in the next financial year was set out in that document. The Chief Finance Officer advised that the business case had not yet been agreed, and the sum of £1m was based on discussions with the i360 Board and their ideas for improving their cost base and income for the next year, and it was hopeful that the amount paid would be significantly higher than that.

122.6 Members referred to the proposed saving of £300k revenue saving on heritage lamps through the introduction of LED lights and asked for more information. Officers confirmed that the saving would be from the additional energy saving from using LED lights, there was external funding and carbon neutral funding which would be used to upgrade and renew the first eighty heritage lights on the seafront. It was confirmed that whilst the lights looked Victorian, they were actually modern.

122.7 The Committee voted on the recommendations, and they were agreed by a majority vote, with the Labour and Conservative Councillors abstaining.

122.8 RESOLVED:

That Policy & Resources Committee recommends to Council:

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 2.99%;
 - ii) An Adult Social Care Precept increase of 2.00%;
 - iii) The council's net General Fund budget requirement for 2023/24 of £232.385m;
 - iv) The 2023/24 budget allocations to services as set out in Appendix 1;
 - v) The Budget Strategies and proposed savings as set out in Appendix 1;
 - vi) The one-off resource allocations as set out in the table at paragraph 5.14.
 - vii) A recommended working balance of £9.000m (approximately 3.9% of the net budget) to be maintained over the period of the Medium Term Financial Strategy.
 - viii) Approval, in principle, to consideration of introducing a 100% discretionary premium on second homes, subject to the recommendations of an officer report to Policy & Resources Committee as soon as practicable following Royal Assent of the relevant legislation, and application of these resources to replenish the council's reserves within the Medium Term Financial Strategy.
2. That Council notes the updated 4-Year Medium Term Financial Strategy included in Appendix 1 including predicted budget shortfalls of £58m over the 4-year period.
3. That Council approves the Capital Strategy for 2023/24 at Appendix 2 comprising:

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- 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 2023/24 of £211.698m included at Appendix 1 and incorporating allocations to strategic funds.
4. That Council notes the Equalities Impact Assessments to cover all relevant budget options as set out in Appendix 6.
 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 18.3.
 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 2023 of £607m.
 7. That Council notes that supplementary information needed to set the overall council tax, including a detailed Budget Book, will be provided for the budget setting Council meeting as listed in paragraph 12.3.

That Policy & Resources Committee:

8. Agrees 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.
9. Notes the Business Framework set out in Appendix 7 which will underpin the management, governance and delivery of the council's services.

The meeting concluded at 6.45 pm

