

Brighton & Hove City Council

Council

Agenda Item 92

Subject: Supplementary Financial Information for Budget Council

Date of meeting: 26 February 2026

Report of: Cabinet Member for Finance & Regeneration

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 To update Members with further budget information and revisions since the General Fund Revenue Budget, Capital & Treasury Management Strategy 2026/27 report was considered at Cabinet on the 12 February 2026.
- 1.2 The proposed budget is based on the Administration's proposed increase to the City Council's element of the council tax of 4.99% including a 2% Adult Social Care precept. Together with the Police and Fire elements of the council tax, the overall increase for most residents of Brighton and Hove will be 5.04%.

2. Recommendations

That Council:

- 2.1 Uses the statutory budget calculation and the Council Tax Resolution set out in this report to derive a 4.99% council tax increase and for the basis of debate at the meeting;
- 2.2 Notes the additional funding received in the final Local Government Finance Settlement and the impact on the updated budget proposals as set out in paragraphs 3.2 to 3.10;
- 2.3 Note the minor changes to the Fees & Charges Schedule as set out in paragraphs 3.11 to 3.13 with the full revised schedule attached as Appendix 12.

3. Context and background information

2026/27 General Fund Budget & Council Tax

- 3.1 The new and revised information covered in this report was indicated in paragraph 15.3 of the 12 February 2026 Cabinet report and covers the following:
 - Any other grants that were announced before Budget Council;
 - The agreed Council Tax set by East Sussex Fire Authority and Sussex Police & Crime Commissioner:

- The statutory Council Tax calculations required under the 1992 Local Government Finance Act;
- The full budget and Council Tax resolution for Budget Council;
- Other information as necessary including a detailed Budget Book.

Final Local Government Finance Settlement

- 3.2 The provisional Local Government Finance Settlement (LGFS) was announced by the government on 17 December 2025. The Budget Report presented to Cabinet on 12 February 2026 was drafted on the basis of the information provided in the Provisional LGFS.
- 3.3 The final LGFS was announced on 9 February 2026. The settlement included additional total funding of £272 million within the Homelessness, Rough Sleeping and Domestic Abuse (HRSDA) Grant over the multi-year settlement period. The council will receive an increased allocation in HRSDA grant over the settlement period as follows:

Increased allocation of HRSDA Grant	2026/27 £m	2027/28 £m	2028/29 £m
Supported Housing support services	1.724	0.519	0.649
Renters Right Act 2025	0.189	(0.100)	(0.089)
Total increased allocation	1.913	0.419	0.560

Changes to the proposed Budget

- 3.4 Following the revised settlement, the administration proposes to allocate the additional funding as follows for 2026/27:

Allocation of additional available resources 2026/27	2026/27 £m
Supported Housing Strategy	0.110
Renters Right Act 2025 – new burdens activity	0.189
Increase in risk provision	1.614
Total increased allocation	1.913

- 3.5 These changes release an additional £0.299m to General Fund housing services in order to satisfy the grant conditions attached to the HRSDA and invest in the strategy for supported housing.
- 3.6 The remaining additional funding of £1.614m is proposed to increase the risk provision from £1.125m to £2.739m. This will provide a greater level of support to mitigate against the risk of delivering savings and transformation programmes during the year and to offset unexpected increases in costs.
- 3.7 It is the opinion of the Section 151 Officer that in the current financial circumstances, this is an appropriate and prudent route for the Council to take. Across the organisation, realisation of the budget targets carries delivery risk; to either allocate this unexpected £1.614m funding to existing budgets or to spend it on something that had previously been unable to be funded would not appropriately reflect either that delivery risk or the overall financial position of the Council.

- 3.8 Whilst the £1.125m was a one-off risk provision in 2026/27, the additional £1.614m has been included as a recurrent provision over the MTFs.
- 3.9 The updated MTFs is shown in the table below. This replaces Table 6 in the budget report presented to Cabinet.

Medium Term Financial Strategy 2026 to 2030 (Updated Table 6 from General Fund Budget Report)	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m
Net Budget Requirement B/Fwd	332.804	341.476	349.068	354.335
Remove net one-off short term funding and expenditure	0.000	0.000	0.000	0.000
Adjusted Budget Requirement B/Fwd	332.804	341.476	349.068	354.335
Standard Pay and Inflation – Expenditure	12.881	12.941	13.279	13.662
Standard Inflation – Income	(3.213)	(3.553)	(3.462)	(3.559)
Investment in priorities across Homes & Adult Social Care services	12.915	13.744	15.242	15.970
Investment in priorities across Families, Children & Wellbeing services	5.640	3.074	2.685	2.552
Investment in priorities across City Operations services	3.240	0.481	0.185	0.139
All other priority investments	6.303	1.326	1.050	1.000
Changes in Grant Funding – Homelessness Funding	(0.540)	0.009	0.297	0.000
Commitment – change in contribution to/from reserves	(0.608)	2.498	0.000	0.000
Commitment – Change in Financing Costs (except EFS impact)	0.913	1.618	0.620	(0.172)
Commitment – 2025/26 Pay Award above 2.75% assumption	0.827	0.000	0.000	0.000
Other Commitment - Impact of previous decisions made (Detailed further in Table 3 for 2026/27)	(0.371)	0.719	0.738	1.599
Reduction in Employers Pension Contribution	(6.832)	0.000	0.000	0.000
Risk provision	2.739	(0.606)	0.649	0.000
Subtotal	366.698	373.727	380.351	385.526
Available funding (below)	(341.476)	(349.068)	(354.335)	(369.229)
Budget Shortfall	25.222	24.659	26.016	16.297
Plans to balance shortfalls:				
<i>Transformation and Savings Plans</i>	<i>(20.749)</i>	<i>(30.382)</i>	<i>(26.016)</i>	<i>(16.297)</i>
<i>Exceptional Financial Support (EFS)</i>	<i>(15.000)</i>	<i>15.000</i>	<i>0.000</i>	<i>0.000</i>
<i>Less: Contributions to reserves from EFS (working balance, risk reserve & earmarked reserved)</i>	<i>8.759</i>	<i>(8.759)</i>	<i>0.000</i>	<i>0.000</i>
<i>Less: Funding of net Collection Fund Balances</i>	<i>1.768</i>	<i>(1.768)</i>	<i>0.000</i>	<i>0.000</i>
<i>Cost of funding Exceptional Financial Support*</i>	<i>0.000</i>	<i>1.250</i>	<i>0.000</i>	<i>0.000</i>
Budget Requirement C/Fwd	341.476	349.068	354.335	369.229
Funding:				
Revenue Support Grant (RSG)	75.522	66.480	57.591	57.591
Locally retained Business Rates	58.442	60.193	61.833	63.491

Net Collection Fund position	(2.498)	0.000	0.000	0.000
Council Tax including Adult Social Care Precepts	210.010	222.395	234.911	248.147
Total Funding	341.476	349.068	354.335	369.229

- 3.10 These changes are reflected in the Budget Book at Appendix 11. In addition, the full MTFs document will be updated with these changes and published on the council's website after Budget Council.

Fees & Charges

- 3.11 The report to Cabinet included an officer amendment to update a small number of parking fees.
- 3.12 In addition, the fees & charges schedule to Cabinet excluded fees relating to cycle hangers. The below table shows the cycle hanger fees, which have not changed from 2025/26:

Cycle Hangar fees	Current 2025/26	Proposed 2026/27	Change %	
Annual Fee	£72.00	£72.00	0.0%	No increase proposed
Deposit	£35.00	£35.00	0.0%	No increase proposed
New Key/Replacement	£35.00	£35.00	0.0%	No increase proposed

- 3.13 A revised version of the fees & charges schedule has been included as Appendix 12 and includes both the revised parking fees and the cycle hanger fees.

Council Tax

- 3.14 The following table shows the overall council tax proposed incorporating the amounts set by the Sussex Police & Crime Commissioner and the East Sussex Fire Authority.

	2026/27 Band D Council Tax	Change on 2025/26	Percentage change
Brighton & Hove City Council	£2,180.04	£103.65	4.99%
Sussex Police & Crime Commissioner	£281.91	£15.00	5.62%
East Sussex Fire Authority	£117.49	£5.00	4.44%
Total for Brighton & Hove residents	£2,579.44	£123.65	5.04%

- 3.15 The statutory calculation for Council Tax has now been finalised. This has resulted in a change of the Brighton & Hove City Council share of Band D Council tax has changed from £2,180.01 (as reported in paragraph 15.1 of the Cabinet report) to £2,180.04.

Budget and Council Tax Appendices

- 3.16 Details of the additional council taxes paid by residents of Rottingdean Parish and Enclosure Committees for the maintenance of gardens in Hanover Crescent, Marine Square and Royal Crescent are given in Appendix 10.
- 3.17 The list of new budget and council tax appendices attached to this report is included under Supporting Documentation below.
- 3.18 The minutes and recommendations from the Place & People Scrutiny Committees will be appended and published when available.

Supporting Documentation

Appendices

9. The statutory calculations required under the 1992 Local Government Act
10. Proposed full resolution for Budget Council
11. Budget Book 2026/27
12. Revised Fees & Charges Schedule 2026/27

