

<b>Subject:</b>	<b>General Fund Revenue Budget &amp; Council Tax – Extract from the Proceedings of the Cabinet meeting held on the 9<sup>th</sup> February 2012.</b>		
<b>Date of Meeting:</b>	<b>23 February 2012</b>		
<b>Report of:</b>	<b>Strategic Director: Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Mark Wall</b>	<b>Tel:</b> 29-1006
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<b>Wards Affected:</b>	<b>All</b>		

**CABINET MEETING**

**4.00pm 9<sup>th</sup> February 2012  
COUNCIL CHAMBER, HOVE TOWN HALL**

**DRAFT MINUTES**

**Present:** Councillor Randall (Chair); Councillors Bowden, Davey, Duncan, Jarrett, J. Kitcat, Shanks, Wakefield and West.

**Also in attendance:** Councillors G. Theobald (Conservative Opposition Spokesperson) and Mitchell (Labour & Co-operative Opposition Spokesperson).

**Other Members present:**

**PART ONE****188 GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2012/13**

188.1 The Chair introduced the report which set out the final proposals for the General Fund Revenue Budget and Council Tax for 2012/13. He noted that the proposals took into account feedback and evidence received from the consultation and scrutiny process and that changes had been made as a result of the feedback. At the heart of the proposals was an increase to the council tax of 3.5% which the Administration believed was appropriate and provided a more viable budget position for future years than the short-term fix offered by the Government and accepted by the opposition groups.

188.2 Councillor J. Kitcat stated that the budget proposals should be taken in context with the national government's austerity policy that had been imposed on local authorities across the country. This policy had seen significant reductions in formula grant funding and further restrictions of local authorities which threatened public services and put pressure on local authorities to be able to minimise the impact of the cuts on those who were

most vulnerable. The proposed tax freeze grant was a one-off provision that would see increased savings for 2012/13 and future years being required with no proposals from the opposition groups on how they would achieve them for 2012/13. He noted that the budget proposals had been amended to take account of the feedback that had been received and both one-off and recurring funding had been identified to offset the changes to Housing Benefit so as to minimise the impact it would have on people in the city. He hoped that the proposals would be supported and recommended the budget to the Cabinet.

- 188.3 Councillor G. Theobald noted the comments and stated that the matter would be fully debated at the Budget Council meeting on the 23<sup>rd</sup> February. He was pleased to see that there had been changes made to the original proposals and felt that further savings could be made in some areas. With regard to the level of council tax, he referred to the on-line poll run by the Argus and noted that an under spend of £3.2m was currently being projected and therefore questioned the need to increase council tax by 3.5% rather than keeping it at 2.5% and accepting the council tax freeze grant. He also questioned whether the LTP would be used to cover the reduction in road maintenance funding and whether the £22,000 subscription for the RNIB would be met.
- 188.4 Councillor Davey stated that it was intended to protect the transport budget and road maintenance would be supported through the LTP, in order to invest in the quality of the roads in the city.
- 188.5 Councillor Bowden stated that one-off funding had been identified to meet the £22k subscription fee for the RNIB in the coming year and that discussion were ongoing in respect of how the service could be maintained in the future years.
- 188.6 Councillor J. Kitcat stated that there was a need to show how services would be retained if a council tax freeze was applied and whilst he acknowledged the Argus poll, he stated that the majority of people would vote yes for more if it was to cost less.
- 188.7 Councillor Mitchell stated that she had to disagree with the proposed increase and that she believed there should be a council tax freeze at 2.5% and the available grant of £3m accepted. There were additional resources from within the council that could be utilised and radical review of senior management could offset the required level of additional savings that would have to be found. She agreed that the Government were cutting resources to local authorities too far and putting an unacceptable burden on councils which was likely to have a societal impact. She queried whether it was intended to fully fund the music and arts service for the next two years as she believed the Cabinet Member had indicated that this was the intention at the council meeting, but noted only one-year's funding had been identified. She also felt that greater clarity was required in respect of the proposed increase to allotment rentals. She felt that the proposed management and admin savings of £215k was not sufficient and should be revisited.
- 188.8 Councillor J. Kitcat noted the comments and stated that there had been a 19% reduction in senior management levels. He could not understand why the Labour & Co-operative Group were supporting the council tax freeze, funding for the music & arts service in 2012/13 had been found and future years funding would be reviewed once the outcome of the bid for hub status was known and £31k had been identified for the allotments rentals.

188.9 **RESOLVED:**

- (1) That the Council be recommended to approve, subject to recommendation (3) below, the 2012/13 General Fund Revenue Budget proposals contained in the body of the report including:
  - (i) A 3.5% increase in the Brighton & Hove element of the council tax.
  - (ii) The 2012/13 budget allocations to services as set out in appendix 1.
  - (iii) The council's net General Fund budget requirement for 2012/13 of £227.1m.
  - (iv) The reinvestments as set out in paragraph 3.35.
  - (v) The budget savings package as set out in appendix 10.
  - (vi) The contingency budget of £4.9m as set out in table 5.
  - (vii) The reserves allocations as set out in appendix 5 and table 3.
  - (viii) The borrowing limit for the year commencing 1 April 2012 of £383m (to include long term liabilities relating to PFI schemes of £62m).
  - (ix) The annual Minimum Revenue Provision statement as set out in appendix 8.
  - (x) The prudential indicators as set out in appendix 9 to this report.
- (2) That the revised Medium Term Financial Strategy budget and resource projections for 2012/13 to 2014/15 as set out in appendix 6 to the report be noted; and
- (3) That it be noted that supplementary information needed to set the overall council tax would be provided for the budget setting Council as listed in paragraph 4.5 of the report.

