

## COUNCIL

23 February 2012

## Agenda Item 70

Brighton & Hove City Council

**Subject:** **Supplementary Financial Information for Budget Council**

**Date of Meeting:** **23 February 2012**

**Report of:** **Director of Finance**

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**Wards Affected:** All

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 To update Members with further budget information that has been received since the Revenue Budget & Capital Investment Programme reports were written for Cabinet on the 9 February 2012.
- 1.2 The proposed increase in the city council element of the council tax is 3.5%. Incorporating the Police and Fire elements of the council tax the overall increase for most residents of Brighton & Hove will be 3.0%.

#### 2. RECOMMENDATIONS:

- 2.1 That Council use the statutory budget and the Council Tax Resolution set out in this report at the meeting.

#### 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

##### ***2012/13 General Fund Budget & Council Tax***

- 3.1 The new and revised information in this report was set out in paragraph 4.5 of the 9 February 2012 Cabinet report and covers the following:-
    - The Environment Agency levy figure agreed for 2012/13.
    - The agreed council taxes set by the Police and Fire Authorities.
    - The statutory council tax calculations required under the 1992 Local Government Finance Act.
    - The full statutory budget and council tax resolution.
  - 3.2 In addition to the above there is also a further section on minor technical changes needed to the revenue budget and council tax proposal to ensure that a council tax referendum is not triggered.
- ##### ***Housing Revenue Account Budget 2012/13***
- 3.3 The Department for Communities Local Government (CLG) issued the final HRA Self Financing Determination on 1 February 2012 which was too late for inclusion

in the Cabinet papers. The self-financing valuations and settlement payments for councils have changed from those indicated in the draft determination due to some amendments to the data used in the self financing model. Details of the impact this has on the HRA budget are included at Appendix 15.

**Capital Resources & Capital Investment Programme 2012/13**

- 3.4 Since the capital resources and capital investment programme report was issued to Cabinet on 9 February 2012 an inconsistency between this report and the HRA capital programme report has been identified and corrected. This has resulted in a revised overall capital programme of £98.2m with the differences relating to an increase of £0.3m in health & safety works and £1.0m for new build being brought forward from 2013/14. The impact of this has incorporated into the amended version of the report included on this agenda.

**Environment Agency Levy**

- 3.5 The Environment Agency levy has been set at £59,750 which is £1,000 less than the amount provided for in the budget report to Cabinet on 9 February 2012. It also has further implications for the revenue budget and council tax because of the referendum rules.

**Council Tax Referendum**

- 3.6 The regulations setting out the point at which an increase in council tax would trigger a local referendum are not straight forward and require changes in levies to be taken into account. The regulations are open to interpretation but to ensure that a council tax referendum is not triggered the budget has been reduced by £5,000, funded by a £4,000 reduction in the contingency budget and a £1,000 reduction in the Environment Agency budget, and is reflected in a revised appendix 1. Due to the immaterial size of this change the forecasts in the MTFS appendix 6 have not been adjusted at this time.

**Council Tax**

- 3.7 The £5,000 reduction to the budget referred to in paragraph 3.6 has resulted in a 5p reduction in the Band D council tax figure previously reported in the budget report to Cabinet on 9 February 2012 and the figure is now £1,306.31.
- 3.8 The following table shows the overall council tax proposed incorporating the amounts set by Sussex Police Authority and East Sussex Fire Authority.

<b>TABLE 6: Council Tax</b>			
	2012/13 Band D Council Tax	Change on 2011/12	Percentage change
Brighton & Hove City Council	£1,306.31	£44.11	3.5%
Sussex Police Authority	£138.42	-	0.0%
East Sussex fire Authority	£81.86	-	0.0%
Total for Brighton & Hove residents	£1,526.59	£44.11	3.0%

### ***Budget and Council Tax Appendices***

- 3.9 Details of the additional council taxes paid by residents of Enclosure Committees for the maintenance of gardens in Hanover Crescent, Marine Square and Royal Crescent are given in appendix 18.
- 3.10 The following revised and new budget and council tax appendices are attached to this report:
- Appendix 1 Movement in Block Allocations 2011/12 to 2012/13 and 2012/13 to 2013/14.
  - Appendix 15 addendum on Housing Revenue Account Budget 2012/13
  - Appendix 16 shows the council tax for each band and for households entitled to a single person discount.
  - Appendix 17 summarises the statutory calculations required under the 1992 Local Government Act.
  - Appendix 18 shows the Cabinet proposed full resolution for Budget Council.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

15. Addendum for Housing Revenue Account budget 2012/13
16. Council tax for each band for 2 or more adult households and households in receipt of 25% discount plus some council tax statistics.
17. Statutory calculations of the budget requirement and council tax required under the 1992 Local Government Act.
18. Proposed formal resolution of Budget Council on 23 February 2012.

### **Documents in Members' Rooms**

1. No further documents.

### **Background Documents**

1. No further background documents.