

## Budget Council

27 February 2014

## Agenda Item 80

Brighton & Hove City Council

<b>Subject:</b>	<b>Supplementary Financial Information for Budget Council</b>		
<b>Date of Meeting:</b>	<b>27 February 2014</b>		
<b>Report of:</b>	<b>Executive Director of Finance &amp; Resources</b>		
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<b>Wards Affected:</b>	<b>All</b>		

### FOR GENERAL RELEASE

#### 1. PURPOSE OF REPORT 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 Policy & Resources Committee on the 13 February 2014.
- 1.2 Policy & Resources Committee on the 13 February agreed to recommend to full Council a proposed increase in the city council element of the council tax of just below the threshold of 2%. The council taxes set by the Enclosure Committees (garden squares) also need to be factored in so the maximum council tax increase before a referendum is triggered is 1.99%. Incorporating the Police and Fire elements of the council tax the overall increase for most residents of Brighton & Hove will be 1.98%.

#### 2. RECOMMENDATIONS:

That Council:

- 2.1 Note the revised block allocations shown in appendix 1 which incorporate a council tax increase of 1.99%.
- 2.2 Note the council taxes for Police and Fire and the overall total shown in table 9 and by band in appendix 18.
- 2.3 Note the statutory calculations of the budget requirement and council tax shown in appendix 19.
- 2.4 Agree the proposed formal resolution set out in appendix 20.

#### 3. CONTEXT / BACKGROUND INFORMATION

##### ***2014/15 General Fund Budget & Council Tax***

- 3.1 The new and revised information in this report was set out in paragraph 4.4 of the 13 February 2014 Policy & Resources committee report and this report covers the following:-
  - Any other grants that are announced before Budget Council.

- The Environment Agency levy figure agreed for 2014/15 and other changes which impact upon the proposed budget.
- Feedback from the business ratepayers meeting held on 11 February.
- The agreed council taxes set by the Police, Fire and Rottingdean.
- The overall proposed council tax increase for most residents of the city.
- The council tax and budget that would need to be set for the council to qualify for council tax freeze grant in 2014/15.
- The statutory council tax calculations required under the 1992 Local Government Finance Act.
- The full statutory budget and council tax resolution.

### ***Any other grants***

- 3.2 The council has received no new information on grants. There is an amendment to make to the Dedicated Schools Grant (DSG) figure for 2014/15 shown in appendix 6 which included funding for academies and therefore was not directly comparable with the figure for 2013/14. DSG excluding academies is £155.703m for 2014/15 an increase of £2.893m or 1.9% which is largely due to increased pupil numbers.

### ***Environment Agency Levy and changes to the 2014/15 proposed budget***

- 3.3 The Environment Agency levy has been set at £56,712 which is approximately £1,000 less than the amount provided for in the budget report to Policy & Resources Committee on 13 February 2014.
- 3.4 A revised appendix 1 incorporates all the final levies and the additional council tax generated by a 1.99% increase instead of the 1.97% used in the budget report. The reduction in the levies and the increase council tax has added £23,000 to contingency and these resources are available for Members to allocate within the 2014/15 budget.
- 3.5 The medium term financial strategy shown in appendix 8 has not been adjusted for this amount as it has no impact on the projections of the budget gap for future years.

### ***Feedback from the business ratepayers meeting***

- 3.6 The meeting was held on 11 February and ratepayers were given information on potential business developments taking place within the city, the implementation of changes to business rates announced in the Autumn Statement and the proposed capital and revenue budgets for 2014/15. There is no formal feedback to report from the meeting.

### ***Council Tax***

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

<b>TABLE 9: Council Tax</b>			
	2014/15 Band D Council Tax	Change on 2013/14	Percentage change*
Brighton & Hove City Council	£1,312.58	£25.58	1.99%
Sussex Police & Crime Commissioner	£141.12	£2.70	1.95%
East Sussex Fire Authority	£83.45	£1.59	1.94%
Total for Brighton & Hove residents	£1,537.15	£29.87	1.98%

\*Please note that on the face of the council tax bill the percentage change will be rounded to only one decimal place as required by law.

- 3.8 The Rottingdean Precept was set on 3<sup>rd</sup> February at £41,925 and results in a small reduction of 26p at band D or 0.9%. 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 19.

***Council tax freeze grant***

- 3.9 The proposed budget set out in this report and the council taxes set by the Enclosure Committees mean that the exact level of resources needed to qualify for council tax freeze grant of £1.229m can be calculated. Changes to the rules this year mean that the council needs to reduce its council tax by 4p at band D to compensate for the increase in the council taxes set by the Enclosure Committees averaged across the city. The reduction in council tax income from a band D council tax of £1.286.96 is £2.084m which means that the council would need to find additional savings in its budget of £0.855m in order to qualify for council tax freeze grant.

***Budget and Council Tax Appendices***

- 3.10 The following revised budget and new council tax appendices are attached to this report:
- Appendix 1 Movement in Block Allocations 2013/14 to 2014/15
  - Appendix 18 shows the council tax for each band and for households entitled to a single person discount.
  - Appendix 19 summarises the statutory calculations required under the 1992 Local Government Act.
  - Appendix 20 shows the Policy & Resources Committee recommended full resolution for Budget Council.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Revised movement in block allocations 2013/14 to 2014/15 to reflect the change in the levies and the resources generated by a 1.99% council tax increase.
18. Council tax for each band for 2 or more adult households and households in receipt of 25% discount plus some council tax statistics.
19. Statutory calculations of the budget requirement and council tax required under the 1992 Local Government Act.
20. Proposed formal resolution of Budget Council on 27 February 2014.

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

1. No further documents.

### **Background Documents**

1. No further background documents.