

26 February 2015

Brighton & Hove City Council

Budget Council 26 February 2015:**Setting a Lawful Budget for 2015/16****Introduction**

Under section 30 (6) of the Local Government Act 1992 the Council has a duty to set the Council tax by 11 March 2015. A failure to set the tax then does not in itself invalidate the tax demands but it has other adverse consequences including the potential loss of income to the Council. In practical terms this means the Council needs to reach a final position to meet billing deadline requirements before the 5th March 2015.

The legal obligations for setting the budget mean in practical terms that:

- Members should not put forward proposals that would mean setting an unlawful budget and need to take officer advice in particular from legal and finance to ensure that their proposals are in order;
- Although the Council corporately sets the budget the Council acts through Members collectively, each and every Member is therefore jointly and severally responsible for the setting of the budget; and
- Wherever possible Members are expected to facilitate rather than frustrate the setting of a lawful budget.
- The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 impose an obligation on the Council to amend standing orders to require the vote of Members on the budget to be recorded. The votes on the amendments and the substantive budget will be conducted by electronic voting and the individual votes will be reflected in the minutes.

Please also note that the formal council tax resolution will incorporate the following recommendations:

That Council notes:

- 1) That for the avoidance of doubt, all Amendments considered and approved by the council represent resourcing decisions only. Where possible, the necessary lead-in time to undertake statutory and/or other appropriate consultation with staff and/or service users, together with appropriate one-off resources, has been identified in support of each Amendment, however, even where this has not been possible this does not absolve the council from undertaking statutory or other appropriate consultation before proposals can be implemented;
- 2) The Equalities Impact Assessments to cover all budget options and their cumulative effect as set out in Appendices 13 and 14;

- 3) The proposed responses to the scrutiny recommendations as set out in Appendix 17;
- 4) The revised Medium Term Financial Strategy and resource projections for 2015/16 to 2019/20 as set out in Appendix 5.

That Council grants delegated authority to the Executive Director of Finance & Resources to design and administer the extended business rates transitional relief scheme in accordance with government guidelines as set out in paragraph 3.8.

Budget Council 26 February 2015

To help Members at Council on 26 February 2015 the procedure to be followed in respect of the Budget debate, (subject to Council approval) is set out below:-

57. Declarations of Interest.

58. Mayor's urgent communications, including the following:

The Council will be asked to agree that Council Procedural Rules be suspended in accordance with council procedural rule 1.7 to the extent that it is necessary to enable the business of the meeting to be dealt with as set out in agenda items 59 - 62 below.

- 59. General Fund Revenue Budget & Council Tax 2015/16**
- 60. Supplementary Financial Information for Budget Council**
- 61. Capital Resources & Capital Investment Programme 2015/16**
- 62. Housing Revenue Account (HRA) Revenue Budget 2015/16**

Budget Proposal based on a 5.9% Council Tax Increase with a Substitute Budget based on a Council Tax increase of 1.99% and the Green Group's Amendment 1:

- (a)** The **Mayor** will invite Councillor Jason Kitcat and Councillor Sykes to move and second the Administration's Budget based on a 5.9% Council Tax increase and subsequent referendum. This will include a fall back Substitute Budget based on a 1.99% Council Tax increase should there be a 'No' vote. Councillor Kitcat and Councillor Sykes will also move and second an amendment on behalf of the Green Group.

Councillor Kitcat will have unlimited time and Councillor Sykes will have 5 minutes within which to move and second the budget proposals and amendment and to refer to the prevailing financial conditions in relation to the budget.

[The Chief Finance Officer / Monitoring Officer shall have discretion at any stage to remind Members of the proposed substantive budget motion and its implications following acceptance of any amendments.]

Budget Proposal based on a Council Tax Freeze and the Conservative Group's Amendments 1- 5 and the Joint Amendment:

- (b)** The **Mayor** will invite Councillor Ann Norman, and Councillor Geoffrey Theobald to respond and move the Conservative Group's Freeze Budget proposals based on a Council Tax freeze, along with their five amendments.

Councillor Norman will have unlimited time to move the amendments and Councillor Theobald will have 5 minutes within which to second the amendments and to refer to the prevailing financial conditions in relation to the budget.

Councillor Theobald will also move the joint Conservative and Labour & Co-operative amendment during his allotted five minutes.

[The Chief Finance Officer / Monitoring Officer shall have discretion at any stage to remind Members of the proposed substantive budget motion and its implications following acceptance of any amendments.]

Budget Proposal based on a 1.99% Council Tax Increase and the Labour & Co-operative Group's Amendments 1- 6 and the Joint Amendment:

- (c)** The **Mayor** will invite Councillor Morgan and Councillor Hamilton to respond and move the Labour & Co-operative Group's Threshold Budget proposals based on a 1.99% Council Tax increase, along with their six amendments.

Councillor Morgan will have unlimited time to move the amendments and Councillor Hamilton will have 5 minutes within which to second the amendments and to refer to the prevailing financial conditions in relation to the budget.

Councillor Hamilton will also second the joint Conservative and Labour & Co-operative amendment during his allotted five minutes.

[The Chief Finance Officer / Monitoring Officer shall have discretion at any stage to remind Members of the proposed substantive budget motion and its implications following acceptance of any amendments.]

Independent Members' Amendment Proposal:

- (d)** The **Mayor** will invite Councillor Summers to move the amendment and Councillor Farrow to second their amendment. Councillor Summers will have unlimited time to move the amendment and Councillor Farrow will have 5 minutes within which to second the amendment and refer to the prevailing financial conditions in relation to the budget.

[The Chief Finance Officer / Monitoring Officer shall have discretion at any stage to remind Members of the proposed substantive budget motion and its implications following acceptance of any amendments.]

Council Debate:

- (e) The **Mayor** will then allow Councillors to debate the 2015/16 Budget proposals for the General Fund Revenue budget, Capital Resources and Capital Investment Programme and the Housing Revenue Account Revenue budget based on all three proposed Council Tax increases (items 59 - 62), and the amendments .

NOTE: Speakers are limited to three minutes each unless otherwise specified or extensions granted.

[The Chief Finance Officer / Monitoring Officer shall have discretion at any stage to remind Members of the proposed substantive budget motion and its implications following acceptance of any amendments.]

Administration's Right of Reply:

- (f) At the conclusion of the debate the **Mayor** will invite Councillor Kitcat to use his final right of reply and he will have up to 5 minutes in which to respond.

Following this,

- (i) The Mayor will request that the screen is lowered so that the outcome of the voting can be shown (Note: This will mean a delay of approximately 45 seconds).
 - (ii) There will be a slight delay between each vote to enable the results of the previous item to be recorded into the system for the minutes once they have been shown on the screen.
- (g) The Mayor will then put the amendments to the vote (up to a maximum of 6 separate votes) in the following order:
- (i) The Green Group's amendment (total of 1);
 - (ii) The Conservative Group's amendments (total of 5);
 - (iii) The Labour & Co-operative Group's amendments (total of 6);
 - (iv) The Joint Conservative and Labour & Co-operative Group's amendment (total of 1);
 - (v) The Independent Members' amendment (total of 1);

Following the conclusion of the voting on the amendments The Chief Finance Officer will confirm how the amendments affect each council tax proposal.

There will also be a need for a short adjournment to allow for the preparation of three council tax resolutions to reflect the budget proposals as amended / if amended to be printed and circulated prior to the substantive vote.

Substantive Votes:

(h) The **Mayor** will put the three substantive motions (as amended) (if amended) relating to the General Fund Revenue Budget and Council Tax to the meeting, with up to three separate votes as follows:

1. Referendum Budget 5.9%

1.1 *The Chief Finance Officer will clarify the amendments that have been agreed and how they affect the referendum budget proposal which will then be put to the vote.*

1.2 **Item 59** General Fund Revenue Budget & Council Tax 2015/16 based on a referendum budget and council tax increase of 5.9% with a substitute Budget based on a council tax increase of 1.99%; recommendations (1) and (4-12); as detailed in the extract from the Policy & Resources Committee;
together with;

Item 60 Supplementary Financial Information for Budget Council recommendation (1) and the council tax resolution on pages 439-441 of the agenda or as circulated;

1.3 **Note:** *Should the referendum budget be approved, then the following amendments if agreed would automatically fall along with the freeze and threshold budget proposals and the Mayor would move to Item 61 on the agenda:*

Conservative amendments No's 3, 4 and 5.
Labour & Co-operative amendments 1, 2 and 3.
Independent amendment 1.

1.4 If the vote on a referendum budget is lost then the Mayor will put the Freeze Budget to the vote as detailed in (2) below.

2. Freeze Budget 0%

2.1 *The Chief Finance Officer will clarify the amendments that have been agreed and how they affect the freeze budget proposal which will then be put to the vote.*

2.2 **Item 59** General Fund Revenue Budget & Council Tax 2015/16 based on a freeze budget and council tax freeze; recommendations (2) and (4-12); as detailed in the extract from the Policy & Resources Committee;
together with;

Item 60 Supplementary Financial Information for Budget Council recommendation (1); and the council tax resolution on pages 443-445 of the agenda or as circulated;

2.3 Note: *Should the freeze budget be approved, then the threshold budget proposal would automatically fall and the Mayor would move to Item 61 on the agenda.*

2.4 If the vote on a freeze budget is lost then the Mayor will put the Threshold Budget to the vote as detailed in (3) below.

3. Threshold Budget 1.99%

3.1 *The Chief Finance Officer will clarify the amendments that have been agreed and how they affect the threshold budget proposal which will then be put to the vote.*

3.2 Item 59 General Fund Revenue Budget & Council Tax 2015/16 based on a threshold budget and council tax increase of 1.99%; recommendations (3) and (4-12); as detailed in the extract from the Policy & Resources Committee;
together with;

Item 60 Supplementary Financial Information for Budget Council recommendation (1); and the council tax resolution on pages 447-449 of the agenda or as circulated.

3.3 Note: *Should the threshold budget be approved, then the Mayor would move to Item 61 on the agenda.*

3.4 If the vote is lost then the Chief Finance Officer and/or the Monitoring Officer will outline the Council's position and consult the Mayor.

3.5 Note: There may then be a need for an adjournment.

Followed by:

(i) The **Mayor** will put the substantive motions relating to the Capital Resources and Capital Investment Programme 2015/16 and the Housing Revenue Account Budget 2015/16 to the vote as follows:

4. Capital Resources and Capital Investment Programme 2015/16

4.1 Item 61 Capital Resources and Capital Investment Programme 2015/16 recommendations (1) - (7) as detailed in the extract from the Policy & Resources Committee.

Followed by:

5. Housing Revenue Account Budget 2015/16

5.1 Item 62 Housing Revenue Account Budget 2015/16 recommendations (1) - (4) as detailed in the extract from the Policy & Resources Committee.

(j) The Mayor will then close the meeting.

Additional guidance note regarding voting on amendments:

1. Some of the proposed amendments use the same money for different purposes. Therefore, if any amendment is voted through subsequent amendments may need to be changed; which may require a short adjournment to clarify the changes required and to obtain agreement from the respective Group.
2. The following amendments **do not** need to be changed regardless of the voting outcomes:

		Adjusts Council Tax Proposal		Uses resources released if Referendum proposal falls
				£'000
Green amendment 1		Referendum		
Labour & Co-op amendment 4		Threshold and Freeze		
Labour & Co-op amendment 5		All		
Labour & Co-op amendment 6		All		
Joint Conservative and Labour & Co-op amendment 1		All		

3. The following amendments however **may** need to be changed:

		Adjusts Council Tax Proposal		Uses resources released if Referendum proposal falls
				£'000
Conservative amendment 1	If Conservative Amendment 3 is agreed	All		
Conservative amendment 2	If Conservative Amendment 3 is agreed	Threshold and Freeze		
Conservative amendment 3	If Labour & Co-op amendments 1, 2, 3 or Independent amendment is agreed	Freeze only	Assumes referendum proposal falls	544
Conservative amendment 4	If Labour & Co-op amendments 1, 2, 3, 4 or Independent amendment is agreed	Threshold and Freeze	Assumes referendum proposal falls	611

Conservative amendment 5	If Labour & Co-op amendments 1, 2, 3 or Independent amendment is agreed	Threshold and Freeze	Assumes referendum proposal falls	23
Labour & Co-op amendment 1	If Independent amendment is agreed	Threshold only	Assumes referendum proposal falls	420
Labour & Co-op amendment 2	If Independent amendment is agreed	Threshold only	Assumes referendum proposal falls	193
Labour & Co-op amendment 3	If Independent amendment is agreed	Threshold only	Assumes referendum proposal falls	564
Independent amendment 1		Threshold only	Assumes referendum proposal falls	1167

During the voting on the amendments, if an amendment needs to be changed, then there may need to be a short adjournment whilst further clarification is prepared by officers for Members.

The Chief Finance Officer / Monitoring Officer may advise the Mayor of the need for a short adjournment, in order to adjust the budget model in light of any amendments just agreed. The Budget resolutions shall not be treated as concluded until any consequential adjustments are agreed.

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