

The
Draft
Green Budget

for

Brighton & Hove
City Council

2012/13

A fair budget in tough times

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Green Party

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Introduction - A Fair Budget for Tough Times

The Tory-led Coalition has imposed cuts of 33% at source in the funding we receive from central government over four years. Nevertheless, in this draft budget we have honoured our manifesto pledge to protect services for the most vulnerable men, women and children in the city as far as possible. We have kept our plans on course to make Brighton and Hove the UK's greenest city, despite the Government's deep and short-sighted cuts in solar feed-in tariffs.



As part of our budget we are introducing a 3.5 per cent council tax increase. It will help keep libraries and children's centres open, and it will help keep Brighton and Hove a safe and healthy place to live. It will also help us protect jobs and support carers. The money will be used, for example, to help care for older and vulnerable people, the rising number of homeless people in the city, children in care and members of the community living with HIV/Aids.

At the same time, promoting a better and more efficient way of working across the council will help us save money and improve the services we offer. So, too, will the real spirit of partnership that flourishes in Brighton and Hove. It underpins the closer working relationships we have established in the past six months with the police, the fire service, the universities and other public service organisations, private companies, trade unions, community organisations and the many thousands of volunteers who give their time to the cause of this extraordinary city.

Many of these organisations, the other political parties and more than 2,000 citizens accepted our invitation to take part in the conversation that has helped produce this draft budget through meetings and social media. Their participation in drawing up these proposals is unprecedented in the city and in most other local authorities. But we are only half way through the conversation. In these tough times it is important that everybody's voice is heard in making the tough decisions that are needed. If you have not joined the budget conversation so far, give us your views. If we are to weather this economic storm, we must all work together.

Bill Randall

Cllr Bill Randall, Leader of the Council

The Draft Budget

Commentary by Cllr Jason Kitcat - Cabinet member for Finance & Central Services

How we got here

Greens are committed to a much more open and inclusive approach to local democracy. As a result in June we published our budget principles, the timetable for presenting budget proposals and how we would consult. We've involved opposition parties, unions and the third sector throughout this process.

Green values have led to many firsts in this budget. It is the first to:

- Cover two years, encouraging longer term thinking
- Involve all parties in the 'star chamber' process of evaluating proposals
- Be published early and in so much detail

Our principles in setting this budget are:

- To prioritise services for the young, elderly and vulnerable
- To promote efficient use of public money
- To support partnership working with public, private and third sector organisations

We genuinely welcome input and scrutiny. This is the first draft for our budget proposals, the next step in an ongoing conversation. There is still uncertainty about government announcements awaited on grants, rules and legislation. We expect the budget to change before the Budget Council meeting of 23rd February 2012. This is a work in progress and we want your feedback.

Ways to get involved in the budget debate

- Try the budget simulator at www.brighton-hove.gov.uk/budget
- Tweet or blog with the #bhbudget tag
- Write to or call your councillors - find them at writetothem.com
- Have a budget discussion at your local community association meeting

Why do we need to save money?

The national Conservative/LibDem government have committed to a programme of radically cutting public spending. Labour are no different, their economic plans include cuts almost identical to the government's approach¹.

Greens do not accept the economic arguments for these cuts. The UK deficit is not particularly large by historical standards². And as many economists have argued, cutting

¹ <http://www.spectator.co.uk/coffeehouse/7427613/wrestling-over-cuts.shtml>

² <http://www.jasonkitcat.com/2010/10/worth-panic-deficit-manageable/>

now only further weakens the economy, which is exactly what we're seeing now. Public services shouldn't be slashed to pay for bailing out bankers. We will work with campaigns and unions seeking to oppose the cuts.

We do agree that it is best to reduce debt in the long term. Reducing tax evasion would bring £42bn to the public purse, ending the Trident weapons programme and creating fairer system of taxation would cover the deficit. A financial transaction tax would also be a fairer way of closing the deficit. Sadly the Government are not proposing to do any of these things, they're even cutting the number of tax inspectors who might detect and reduce tax evasion.

Therefore councils are forced to work within radically reduced budgets. Brighton & Hove City Council is seeing an above average reduction in its main government grant. Over four years it will fall by a staggering 33%, furthermore our funding is being sliced to fund the government's plans for academy schools. Our budget plans have been further affected by the Government's plans to cut council tax benefit and solar feed in tariffs. Additionally Brighton & Hove City Council is under financial pressure from the growing number of people needing our care and rising energy prices.

Some may ask why we need to accept these Government cuts. We don't accept them, but by law if councillors don't set the budget, then civil servants will set it for us. We believe that it is better for democratically elected representatives to set the budget in line with their manifesto then let appointed commissioners take control.

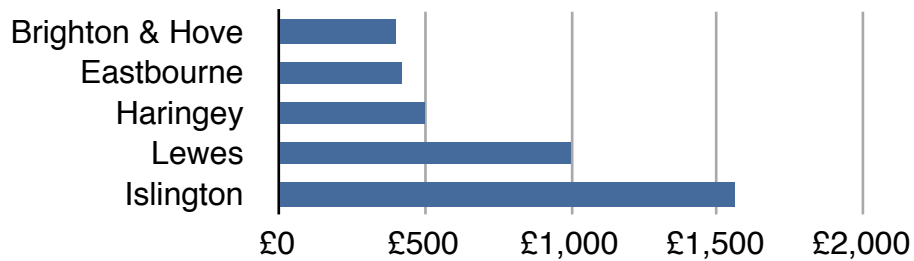
We stated in our local manifesto that we would "resist, to the greatest extent possible, the service cuts and privatisation imposed [on us]" and that is what this budget does. By finding a fair balance between efficiencies, reducing services in the most sensitive ways possible and increasing income we are seeking to set a fair, values-led budget.

Raising money: Tax and fees

Fees and council tax are the areas of income over which the council has some control. On average most fees have been increased by the usual annual inflationary increment. All services have compared fees with councils similar to ours and, where appropriate, private alternative providers. Where our fees are significantly out of line with those comparisons they have been brought in line, but generally lower than the comparators.

For example, we propose business parking permits increasing from £175 annually to £400 whereas Lewes charge £1,000 and Eastbourne £420. Our fee amounts to £1.67 per working day in a 48 week working year to let someone park near their place of work.

Cost Comparison - Annual Business Parking Permit



The previous Conservative administration's published financial strategy assumed 2.5% council tax increases for each of the next four years. Greens propose to increase council tax by 3.5% per year in the light of inflation standing above 5% and to help offset the pressure of the Government-imposed cuts. For the average home this will cost only 57p more per week.

What does 57p more a week get me?

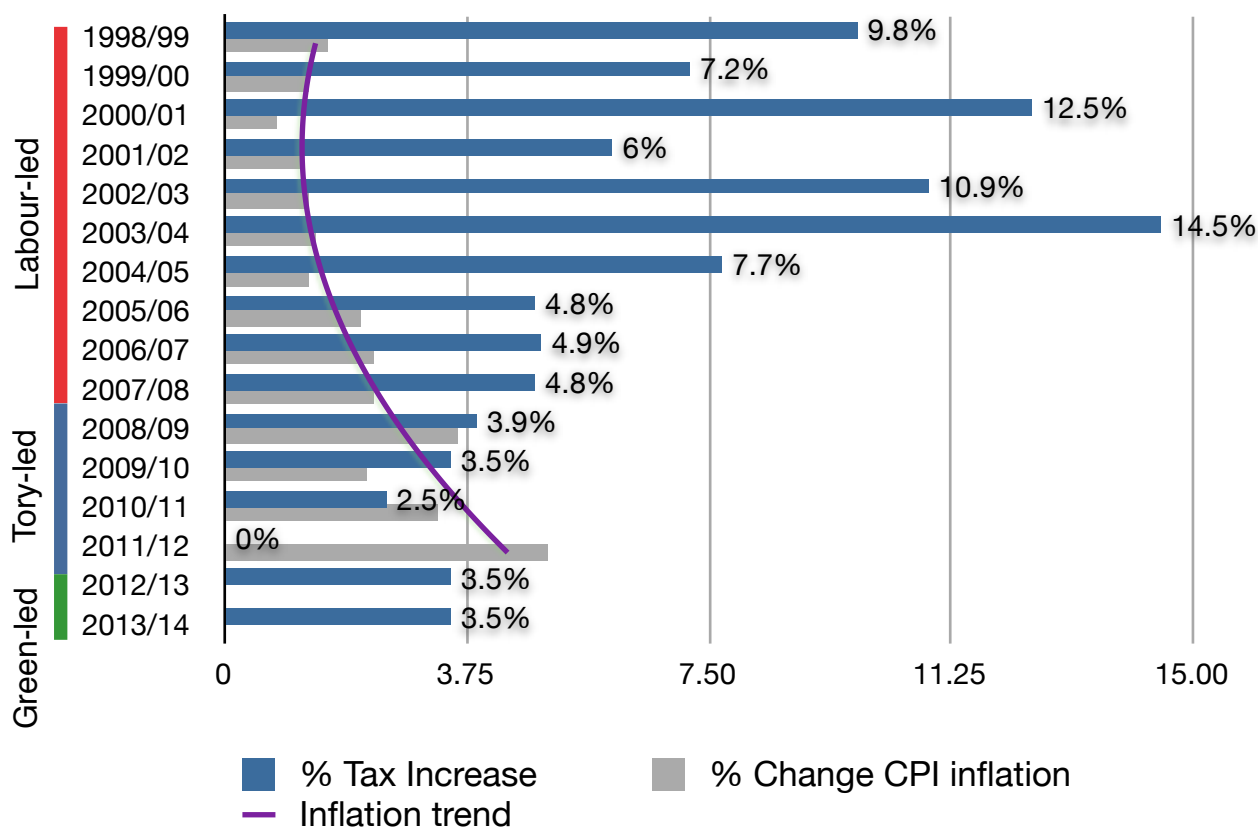
- Care for vulnerable & disabled children, and support for their carers
- Looking after the elderly & vulnerable, and support for their carers too
- Parks, seafront, museums, libraries, downland and playing fields
- Action on noisy neighbours
- Children's centres, childcare directory and toy libraries
- Checks on pubs, clubs & restaurants
- Bus passes for the elderly & disabled, sustainable transport for all
- Street cleaning, bin collections and recycling... and much more...

This Autumn the Government announced a gimmick: A one year grant worth £3m if we agreed to freeze council tax. However freezing the tax would leave our income further behind inflation and would cost the council £5.4m in lost income. Freezing one year would result in needing an 8% increase the next year, or significant reductions to public services. The 'freeze grant' is a Tory three-card trick, a gimmick to deflect attention from the Government's failing economic plans.

It's clear that council tax is an imperfect system, but it's one of the few options councils have to raise income. We understand the difficult economic times and so we feel a steady, below inflation, increase in council tax is preferable to a huge jump next year. The poorest don't pay council tax, and the richer with the largest homes pay more.

New sources of income will also be sought, through a new commission model for the Visit Brighton service, improved takings at our public venues and increased seafront income by marketing vacant sites.

Council Tax Increases - Brighton & Hove City Council



The graph above shows the increases in council tax set for each year since the City Council began setting its own budget. Note that 04/05 includes an adjustment for the Fire authority. Labour-led budgets (98/99 to 07/08) were all in periods of low inflation and property boom, which would have boosted council revenue, yet cumulatively their tax increases came to 123.9% by the time they had set their last budget.

The Green council tax proposals for 12/13 and 13/14 are well below the current 5% rate of inflation and will provide steady, small increases to help protect public services. Our proposals ask for a consistent contribution from residents to help support vital council services, well below increases by previous Labour administrations and equal to or lower than all but two years of Tory budgets.

Saving money

Every penny counts. We want this council to lead in delivering efficient, effective and usable services. A key strategy for us is to close excess buildings, not services.

Over the years, and the merger of the two distinct Hove and Brighton authorities, a large portfolio of council offices has grown. We are committed to rationalising this down to a small number of modern, effective and sustainable centres which will reduce our costs, improve customer service and provide excellent workspaces for our staff. By the time this work is complete we expect to have saved over £2.5m in total. We are also working with

other public sector providers in the city to share infrastructure and facilities such as offices and IT networks.

During 2012/13 we will undertake a thorough review and consultation on the best way to reduce duplication in the provision of services through children's centres, housing offices and libraries as well as other public access points.

We are committed to reducing management costs - through a voluntary severance scheme the council has made significant savings and is becoming a flatter organisation. This budget seeks to make large savings from the highest paid managers whilst protecting our lowest paid staff with a living wage of £7.19 per hour. Throughout each area significant savings are planned by reducing the amount of management needed. We hope to achieve this through voluntary severance, natural turnover and use of the redeployment pool.

By greater use of online tools we know we can improve services and reduce costs. Many tasks such as finding out when your recycling collection day is or completing a schools admission form can already be done online. Demographic research suggests the majority of residents are open to using online services, and many prefer it. This saves us money whilst leaving resources to provide service to those not able to go online.

We will invest in preventative services wherever possible as we know prevention is far better, and more cost effective, than resolving problems after they have happened. This helps prevent the young and old coming into care, keeping them at home with their families.

In some cases we will reduce subsidies to private providers, such as to private sector nurseries who have historically benefited from reduced cost training for their staff. Similarly we are seeking to completely review bus route subsidies to find efficiencies and if there are better strategies for improving public transport access.

We will also significantly reduce the subsidy to the school music service. It is currently one of the most generously funded council music services in the country, and sadly we are no longer able to fund such a high level of provision.

We propose that a significant source of savings will come from re-organising services, changing contracts and ensuring our support is provided fairly across the city. The aim is to squeeze out inefficiencies whilst maintaining or even improving the results. The council has already achieved this in some areas such as adult social care through improved contracts and the application of new technologies. Future savings proposed are

from fixed-price contracts and by changes to how we handle VAT, including areas relating to our cultural sites.

However in some areas savings will be made through reduced levels of service. For example we will reduce the opening hours for some public toilets, and close those which are near existing public toilets. Public realm and street sweeping provision will be reduced.

Schools

The Government funds schools through a ring-fenced Direct Schools Grant (DSG). We expect this funding to continue to grow as pupil numbers in the city increase. However funding that the Council used to receive to centrally manage tasks such as pupil attendance and support for headteachers has either been ended or dramatically reduced.

The Government expects schools to be responsible for many of these areas now. Given increasing DSG money going to schools and the Council's own cut in grants, we will be moving these responsibilities from the council to schools. The Council and schools will continue to work together to support this as best as possible, but the balance of resourcing has had to change in the face of the Government policy shift.

We remain committed to expanding schools to meet the growing demand in the West of our city, and will use all the resources possible within our education funding.

Protected Areas

We propose no reductions in support for carers nor any reductions for mental health provision. We want to see no changes in the eligibility criteria for adult social care, this is in contrast to Conservative-run West Sussex County Council who have removed support for those with 'moderate needs'.

In contrast to most councils, we plan to preserve youth services as a council amenity.

Unlike Labour-led Hounslow Borough Council and Conservative-run Southampton City Council, we are seeking no reductions to staff terms and conditions in 2012/13. We are planning on consulting to simplify and consolidate our pay structures in 2013/14. We aim to resolve the web of complex, historic allowances which make payroll difficult and result in pay disparities.

Our commitment to a minimum, living wage of £7.19 per hour for council staff is protected.

We are seeking no reductions in spend from the grant that prevents homelessness, and only small efficiency savings from the Supporting People budget.

In contrast to Labour-led Lewisham Borough Council who have slashed community grants, we propose no reductions to the Council's main grants programme to the community and voluntary sector.

New initiatives

There remain some funds, either unspent from previous budgets, or requiring allocation after the council's reorganisation over the past 18 months. From these funds Greens propose a number of new initiatives.

To support our ambition to create a more equal city, we will use £300,000 of one-off money to institute a three-year grant programme to support community groups and the third sector in providing youth services.

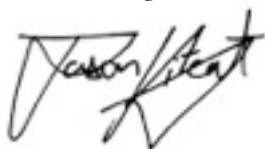
We will allocate £50,000 in recurring money to support the Downland Initiative and tie it in with our newly in-sourced management of the Council's downland property portfolio. This will help improve access to the Downs and enhance biodiversity.

We plan to set aside £500,000 in the 2013/14 budget to fund a food waste collection pilot in the city, pending the outcome of various funding bids which we hope will significantly contribute to the cost. This will help the city boost its currently low recycling rate.

We will allocate £150,000 in recurring funds and £35,000 in one-off funds to the Council's sustainability team. This is to replace grant funding which is ending and to ensure the Council is able to meet its targets for reducing its footprint and providing a leadership role in the city on sustainable policy.

Conclusion

These are difficult times and councillors are faced with painful choices. Greens want to see investment in local communities, not Government imposed cuts. We have been led by our Green-values to set a fair budget in tough times. We look forward to your input in the coming months.



Cllr Jason Kitcat



The Budget in Numbers

£35m

Total savings & new income planned over 2 years from the general fund
Figures below relate to 2012/13 unless otherwise noted

£2.5m

savings from consolidating council offices over the life of this council term

£400k

saved from fixed price bus contracts

£400k

saved from more efficient management of the Waste PFI contract

£400k

no change to the level of community development funding

£372k

saved from efficiencies in IT

£300k

allocated to fund new community provision of youth services

£300k

saved by improved ways of treating VAT

£200k

saved through reduced senior pay

£150k

to support sustainability initiatives which reduce emissions & save money

£205k

saved through efficiencies & new income in the finance dept

£150k

estimated income from auctioning the Mayor's custom number plate to fund community grants

£120k

new income from more efficient tax collection

£98k

new income from a woodland burial site

Full budget details are available from the council website at <http://bit.ly/tSY0Mg>

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For more information contact Cllr Jason Kitcat on 07956 886 508 or jason@jasonkitcat.com

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