



**Brighton & Hove  
City Council**

**CABINET  
ADDENDUM**

**ITEM 131  
Budget Update and Directorate Budget  
Strategies for 2010/11**

**2.30PM, WEDNESDAY, 9 DECEMBER 2009**

**COUNCIL CHAMBER, HOVE TOWN HALL**



# ADDENDUM

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<b>Subject:</b>	<b>Budget Update &amp; Directorate Budget Strategies for 2010/11</b>		
<b>Date of Meeting:</b>	<b>9 December 2009</b>		
<b>Report of:</b>	<b>Director of Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Mark Ireland</b>	<b>Tel: 29-1240</b>
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<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No: CAB 13209</b>	
<b>Wards Affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. SUMMARY AND POLICY CONTEXT**

- 1.1 In July 2009 Cabinet considered and agreed the budget setting process for 2010/11 in the context of having reasonable certainty over government funding allocations for next year. This report sets out latest budget information including the budget strategies for each service. The budget strategies cover financial and service pressures and savings proposals and have been developed within the indicative cash limits agreed by Cabinet in July.
- 1.2 The report follows the agreed timetable which allows Scrutiny approximately 6 weeks to review and report on these proposals before Cabinet considers the overall budget package in greater detail in February. Given the length of time between publication of this report and the final decisions by Council there will inevitably be some changes in income and expenditure projections that come to light requiring amendments to the proposals. However this report is based on the best available information at this time.
- 1.3 The resource projections continue to be based on an indicative council tax increase for 2010/11 of 2.5%. Given the financial uncertainties created by the recession and government resource allocations beyond 2010/11 the medium term financial strategy agreed at Budget Council provided for some flexibilities within the budget by creating risk provisions and a reserves strategy. This report asks Cabinet to consider the allocation of the risk provisions and reserves potentially available for use in 2010/11 in the light of the latest information on the budget, the budget strategies and the service priorities of the Cabinet.
- 1.4 Cabinet are reminded that all decisions about the 2010/11 budget should be taken in the light of a high level of uncertainty regarding resource levels for future years. Over 60% of the council's gross expenditure is funded by government grants which will not be determined for 2011/12 until after the general election. The position on the national finances will be updated by the Chancellor of the Exchequer in the pre-budget report due to be announced on 9 December 2009,

but a significant squeeze on public spending is inevitable to help address the growing levels of government debt.

## 2. RECOMMENDATIONS:

- 2.1 That Cabinet notes the latest budget projections and the key budget issues for future years.
- 2.2 That Cabinet considers and agrees the reserves allocations set out in paragraphs 3.4 and 3.5.
- 2.3 That Cabinet notes and agrees the risk provisions set out in table 4.
- 2.4 That Cabinet considers and agrees the budget strategies for each service as set out in appendix 1.

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

### *Latest Position 2009/10*

- 3.1 The Targeted Budget Management month 6 report presented to Cabinet on 12 November 2009 showed a projected overspend for the general fund of £0.617m including NHS Trust managed section 75 services. Recovery actions are being undertaken and significant progress is being made to ensure that spending overall remains within budget. However, any projected overspend that remains at the time of setting the 2010/11 budget will need to be incorporated within the budget estimates.

### *Reserves position*

- 3.2 The working balance is currently £9m and is planned to remain at this level over the next 3 years. The following table shows the projected usable reserves position over and above the working balance assuming spending is in line with current projections. The table particularly reflects the improved council tax collection fund performance in 2008/09 and 2009/10.

<b>Table 1 – Usable Reserves</b>	<b>£m</b>
Reserves Balance at 1 April 2009	2.3
Planned transfers agreed at Budget Council 26 Feb 2009	-1.9
Improvements in council tax collection fund and taxbase in 2008/09 actual, 2009/10 and 2010/11 projections	3.5
Resources generated in 2010/11 by lower than anticipated pay award in 2009/10	1.3
Provisional funding for 2009/10 overspend based on month 6 projection	-0.6
Allocations approved by Cabinet during 2009/10 including the Marina planning appeal, swine-flu preparations and Building Schools for the Future	-1.0
Recommended transfers for 2009/10 as detailed in paragraph 3.4	-1.6
<b>Balance estimated as at 1 April 2010</b>	<b>2.0</b>
Provisional allocations recommended for 2010/11 budget as detailed in paragraph 3.5	-1.5
<b>Balance required for one-off risks as detailed in paragraph 3.6</b>	<b>0.5</b>

- 3.3 The £0.7m contribution in 2009/10 included within the month 6 projection and a further £0.55m allocation in 2010/11 to Building Schools for the Future programme will bring the total projected support for the project to its target level of £5m over 5 years.
- 3.4 The table includes recommended transfers in 2009/10 for the following:
- £0.070m for preparations for the introduction of Carbon Trading in 2011/12 including establishing the council's carbon footprint.
  - Transfer of £1.0m to the restructure/redundancy reserve to help spread the costs of reducing staff numbers within the service budget strategies.
  - The upfront costs of £0.5m required to support the development of the LDV previously funded from the receipts from the sale of council houses that have not materialised. This represents temporary funding until the LDV is operational and these costs are repaid. It is possible that up to a further £0.2m may be required to see this project through to financial close and if this arose, it would need to be funded from the balance for one off risks.
- 3.5 It is proposed to provisionally allocate £1.5m general reserves to support the following Cabinet priorities:
- £0.5m investment in the Seafront for the painting of railings and improvements to shelters as well as work at Hove Lagoon;
  - £0.5m to provide a new Transport Model for the City which will be valid for 5 years and will be a platform for planning a range of potential improvements to the city's transport infrastructure for example the development of new park and ride facilities;
  - £0.180m to ensure that Castleham Industries can be kept open in 2010/11 to allow time for careful consideration of the future options for the staff delivering this service in the light of substantial cuts in central government funding;
  - £0.100m for additional internal programme and project management capacity to ensure the delivery of the savings proposals for 2010-11;
  - £0.070m to support the delivery of the council's 10:10 commitment; and
  - £0.150m start up loan funding for a new model of delivery of youth services linked to the Falmer Academy.
- 3.6 Income and expenditure budgets will remain under pressure during the period of recovery from recession next year. The budget therefore needs to make provision for possible one off risks of temporary additional costs or reductions in income as a result of the prevailing economic conditions. A risk provision of £0.5m has been set aside for this purpose from usable reserves.

## **Resource Projections**

### ***Local Government Finance Settlement 2010/11***

- 3.7 The provisional settlement for 2010/11 was announced on 26 November 2009. It showed that the council will continue to receive the minimum floor increase in formula grant of 1.5% or £1.6m for 2010/11 compared to a national average increase of 2.6%.

### ***Dedicated Schools Grant***

- 3.8 Schools funding in the form of the Dedicated Schools Grant (DSG) will increase by £6.9m in 2010/11 based on the indicative allocations announced on 27 October 2009. This sum is based on estimated pupil numbers so may change when the results of the January 2010 pupil count are known. The increased amount per pupil of 4.1% in 2010/11 is however fixed.

Year	Dedicated Schools Grant £m	Cash increase	Per pupil increase	National Per pupil increase
2009/10	127.734			
2010/11	134.682	+5.4%	+4.1%	+4.3%

- 3.9 Not every school within Brighton & Hove will receive an increase in their budget of 4.1% per pupil as each local authority has a local funding formula, which distributes the total funding between each school. The formula does provide for a minimum funding guarantee of 2.1% per pupil. This local formula is agreed by the Schools Forum which is made up of representatives from local schools.

### ***Council Tax***

- 3.10 The resource estimates in this report reflect the council tax strategy agreed at Cabinet in July 2009. The planned increase is 2.5% for 2010/11.

### ***Fees & Charges***

- 3.11 Fees and charges are assumed to increase by the standard inflation assumption of 2% each year. Details of fees and charges for 2010/11 will be presented to the relevant Cabinet Member Meetings (CMM) and onto Council where appropriate prior to Budget Council. Culture and Enterprise fees and charges were presented to Culture, Recreation and Tourism CMM on 15<sup>th</sup> September 2009.

### ***Local Authority Business Growth Incentive (LABGI)***

- 3.12 The LABGI grant is now allocated on the basis of sub-regions and the council forms part of the East Sussex sub-region. The provisional grant payable in 2010/11 may be announced in time for the February budget meeting. The national allocation for 2010/11 was previously confirmed at £50m and based on the council's share of this year's allocation the council could receive about £0.2m. However any recommendations on the use of LABGI funds cannot be agreed until the grant is formally confirmed and assuming confirmation before the end of January will be incorporated into the Cabinet budget at the February meeting.

### ***Concessionary Fares Funding***

- 3.13 The Department for Transport have issued a consultation paper on the possible redistribution of special grant funding in 2010/11 for the national bus concession which has a closing date of 30 December. Under the proposed revised distribution there is no change to the council's special grant allocation for 2010/11 and therefore the budgeted concessionary bus fares special grant remains at £1.8m out of the total costs to the council of £9.3m. The final



allocations are due to be included in the Governments response to the consultation in January 2010.

## **Expenditure Projections**

### ***Budget Estimates Table***

- 3.14 The table below shows the latest budget estimates for 2010/11 and the following sections set out more information on each heading.

<b>Table 3. Budget Estimates (including corporate budgets)</b>	<b>2010/11</b>
	<b>£m</b>
2009/10 Budget b/fwd	219.0
Inflation	2.9
Risk Provision	1.8
Commitments	1.1
Service pressures and reinvestment	12.3
Efficiency Savings	-7.9
Other savings	-3.8
Further CYPT savings to be identified	-1.9
<b>Total</b>	<b>223.5</b>
Change in contribution to / from reserves	3.6
<b>Budget Requirement</b>	<b>227.1</b>
<b>Funding Projections:</b>	
Formula Grant	109.2
Council Tax	117.9
<b>Total</b>	<b>227.1</b>

### ***Function & Funding Changes***

- 3.15 The indicative finance settlement for 2010/11 did not include any significant function and funding changes.

### ***Pay award and Inflation assumptions***

- 3.16 The revised pay award assumption built into the budget for the 2010/11 estimates is 1%. This assumption has been revised since the July following the lower settlement of the 2009/10 pay award. The cash limits have been adjusted to reflect this change and the ongoing resources released from this change have been earmarked for potential additional employer pension costs in future years. If the pay award is lower than 1% then the balance will be retained as a further contingency against single status future pay costs.
- 3.17 The provision for general inflation on both expenditure and income is 2% per annum. Compared to current levels of inflation in the economy this is high but inflation is expected to increase considerably during 2010/11.

### ***Pension fund triennial review***

- 3.18 The pension fund contributions of every local authority are reviewed by independent actuaries every 3 years by law. The next review will be carried out next year and revised contribution rates will be established for implementation in 2011/12. The contribution rates depend on a wide range of factors but the main ones relate to the investment performance of the fund, the levels of pay and pensions and the projected longevity of current and future pensioners.
- 3.19 The council is one of 60 employers within the East Sussex Pension Fund managed by East Sussex County Council (ESCC). Although the Pension Fund has performed consistently above the average for local authority pension funds it has not been immune to the impact of adverse changes in the financial and property markets. However, following an average increase of more than 50% in stock markets across the globe since April 2009 the overall value of the Fund in mid-November was £1.7 billion, about the same level as at the last triennial valuation.
- 3.20 At the annual pension fund forum held by ESCC on 19 November the actuary indicated that the combination of improved investment performance and a smoothing factor within the calculation of future contribution rates, would mean that the latest estimate of the increase in 2011/12 for employers contribution rates is on average 1% which can be phased in over 3 years. The impact of future pay may mean that the increase for the council is slightly higher so 1.5% will be allowed in the budget projections i.e. 0.5% increase or about £0.65m per annum from 2011/12.

### ***Equal Pay Future Pay***

- 3.21 Recurrent resources of £1.63m are included in the contingency to meet the ongoing costs of future pay. This provision was based on the estimated impact of job evaluation at the time of setting the budget. No further resources are planned for future years.

### ***Cash Limits (% change in budgets)***

- 3.22 Cash limits are generated from percentage changes in the 2009/10 adjusted budget based on both the projected demographic changes in services and the Cabinet priorities for services. These percentage changes are net of savings, service pressures and reinvestment and are designed to provide allocations that services are expected to manage within to deliver a balanced budget. The cash limits agreed by Cabinet in July have been adjusted to reflect the lower pay award assumption so that no service is better or worse off. The budget strategies included in appendix 1 set out proposals for each service managing within these cash limits.

### ***Commitments***

- 3.23 A number of commitments have been included to cover the planned changes in budgets from previous decisions. In 2010/11 these include £0.25m replacement funding for grants that have come to an end, additional financing costs of funding the capital programme and part of the financing costs to provide a £5m contribution towards a new Historic Records Centre known as The Keep.

### **Risk Provision**

- 3.24 The resources available to cover risks in the 2010/11 budget are £1.95m. The financial risks in CYPT in relation to the council's responsibilities for safeguarding young people are significant. It is therefore proposed to provisionally earmark £1m from this provision to cover the currently anticipated costs of Looked After Children. Work on the CYPT budget strategy will continue to consider whether any reduction in this assumption can safely be made. A minimum ongoing risk provision of £0.75m is needed to cover uncertainties within 2010/11 and as a reflection of the scale of the savings package that is proposed and the risks associated with delivery. £0.2m from the total resources will be allocated for investment in youth outreach work, particularly targeted at early intervention to prevent social exclusion.

<b>Table 4 – Risk Provisions</b>	<b>£m</b>
Unallocated 2009/10 risk provision carried forward to 2010/11	0.75
Concessionary Fares Budget agreed transfer to risk provision	0.70
Planned 2010/11 Risk Provision	0.50
<b>Total Cabinet approved provisions</b>	<b>1.95</b>
Earmarked for Looked After Children	-1.00
Investment in youth outreach work	-0.20
<b>General Risk Provision</b>	<b>0.75</b>

### **Corporate Budgets**

#### Financing Costs

- 3.25 In the budget reserves of £2.9m were earmarked for 2009 - 2012 to fund reductions in investment interest income until interest rates were projected to return to average levels of about 5%. It is now anticipated that interest rates will remain at lower levels for longer than originally anticipated, however, the debt repayment policy of using invested reserves to repay long term debt should ensure that the original level of earmarked reserves are sufficient for the next 3 years. The financing costs 2010/11 budget and the projections for future years are being prepared and will form part of the budget report to Cabinet in February.

#### Insurance Premia

- 3.26 The council achieved substantial savings when it tendered the bulk of its insurance cover in 2008. Although the agreements are for 3 years the insurance companies re-quote at the end of each financial year for the coming year. The insurance market remains relatively soft and it is not expected that there will be any significant cost increases for next year although the outcome will not be known until March 2010. However, Officers will take the opportunity to ask for a range of quotes with different levels of cover in order to establish the optimal balance between the level of the premia and the level of cover. Preliminary work undertaken on the insurance of the vehicle fleet has identified an opportunity to deliver savings on this element of the portfolio.

## Concessionary Bus Fares

- 3.27 The budget projections for 2010/11 allowed for an increase of 5% in the budget for concessionary fares net of government grant. The payments to the bus operators largely depend upon the number of journeys undertaken by concessionaires and the level of bus fares. The number of journeys has increased by approximately 7% so far this year and it is anticipated that further significant increases will occur next year. Recent discussions with local operators suggest that they currently do not have plans to increase fares next year but this position could change depending on their ability to control costs and maintain commercial revenue during the economic downturn. Based on the most recent information the budget increase allowed for in the original projections for 2010/11 is therefore considered reasonable.

## Service Pressures

- 3.28 Directorate Budget Strategies incorporate service pressures of £11.7m above inflation that are being managed within the cash limit. The most significant pressures are included in the following table -

<b>Table 5 – Main Service Pressures</b>	<b>£'m</b>
Increased Independent Foster Agency and in-house foster placements. The increased costs reflect the significant increase in placement numbers during 2009/10 and a continuing rising trend.	2.5
Demographic growth in Adult Social Care clients (Physical disabilities, vulnerable older people, mental health and learning disabilities).	1.6
Reduction of income due to the recession (Royal Pavilion, development control, Land Charges & commercial property portfolio)	1.3
Reduction in Area Based Grants for preserved rights, supporting people and the removal of the transitional funding for Stronger Safer Communities grant and Neighbourhood Renewal Fund grant.	1.2
Adult social care learning disability transitions from CYPT	0.9
Changes in housing benefit regulations	0.5

## Savings

- 3.29 A total savings package of £11.7m has been identified within the Directorate Budget Strategies, £7.9m through efficiencies, £1.3m through additional income and £2.5m through service changes. Details of the savings proposals are shown in appendix 1.
- 3.30 Work in CYPT is still ongoing to identify the scale of potential savings in their corporate critical budgets and other savings opportunities in order to balance to their cash limit.
- 3.31 Culture & Enterprise, Environment and Finance & Resources have identified savings for reinvestment in addition to those required to meet their respective

cash limits. Details of the reinvestment proposals are contained within their budget strategies.

### ***Staffing Implications***

- 3.32 The council is committed to working positively with staff and unions to avoid compulsory redundancies wherever possible through redeployment. To minimise the impact on staff Human Resources will continue to co-ordinate redeployment through the following measures:
- The examination of every post will be advertised as a possible redeployment for staff at risk before other applications are considered.
  - Searches for alternative employment options across the council in partnership with the Trade Unions. As with the previous 2 years regular meetings with the Trade Unions will be scheduled.
  - Supported trial periods and identification of training needs.
- 3.33 The Directorate Budget Strategies include the deletion of an estimated 101.7 full time equivalent (FTE) posts and at the time of writing this report there are approximately 53.4 FTE redundancies which are likely to reduce significantly as the measures listed above are implemented.

### ***Budget Projections and Issues for Future Years***

- 3.34 A medium term financial strategy covering the years 2010/11 to 2012/13 will be prepared as part of the budget report to Cabinet in February. Part of the report will be an analysis of the key budget risks facing the council. The 2 areas of the budget at greatest risk and uncertainty in the medium term are government grants and pay related budgets.
- 3.35 In 2009/10 the council is likely to receive about £450m in government revenue grants representing approximately 61% of gross expenditure on all services. The level of government funding beyond 2010/11 is unknown and will not be determined until after the next general election when the local government finance settlement is announced in November / December 2010.
- 3.36 Approximately 40% of gross expenditure or £300m is spent on pay and pay related items. Assumptions therefore about the level of future pay awards, pension contributions and single status future pay and allowances have a major impact upon the overall budget.

### ***Capital Programme***

- 3.37 The projected capital programme for 2010/11 of £61.3m is shown in appendix 2. This represents a significant level of investment by the council in difficult financial times and is one of the largest capital programmes in the council's history. The council has received an indicative settlement for 2010/11 and the government resources available are reasonably certain. The proposed programme is fully funded subject to the achievement of £2.4m net capital receipts including Right to Buy sales.
- 3.38 The Corporate investment funds include £0.75m for the Strategic Investment Fund which will be allocated as part of the budget report in February; £1m for the

Asset Management Fund and £0.435m for the ICT Fund which will be allocated in March/April 2010.

- 3.39 In addition to the programme set out in appendix 2 there are resources available to fully fund the construction of the new Falmer Academy, and there is a planned contribution in 2010/11 to the Brighton Centre redevelopment reserve of £0.5m.

### **Housing Revenue Account**

- 3.40 The latest HRA Budget projections as shown in appendix 1, take into account the financial position as at TBM month 6 and the required level of reserves. In setting this budget, officers have taken into account the required level of efficiency savings but also sought to maximise the level of resources available to invest in meeting the Decent Homes Standard.
- 3.41 The budget projections are very provisional at this stage because the draft annual subsidy determination for 2010/11 has not yet been received.
- 3.42 The service has identified savings of £0.636 million, the equivalent of a 6% savings target which will be used to fund inflationary increases such as the pay award.
- 3.43 The HRA will need to fund service pressures from its revenue surpluses which are currently used to fund works in the capital programme. The HRA Budget projections assume a continuing increase in 'Negative Subsidy' resulting in the HRA paying an additional £0.769 million of rental income to the government. The service pressures also include funding to support the Housing Improvement Programme and the Turning the Tide Strategy.

### **2010/11 Budget Timetable**

- 3.44 Timetable for the remaining budget papers.

Council Taxbase	Cabinet	14 Jan 2010
General Fund Revenue Budget and Council Tax	Cabinet	11 Feb 2010
Housing Revenue Account	HMCC	8 Feb 2010
	Cabinet	11 Feb 2010
Capital Resources and Capital Investment	Cabinet	11 Feb 2010
Budget Council		25 Feb 2010

## **4. CONSULTATION**

- 4.1 The budget and council tax consultation process was agreed by the cross party Budget Review Group. For 2010/11 the consultation has involved a budget questionnaire to a random sample of residents across the city. The results of this consultation are due in December 2009 and will be circulated to all Members. The council has a statutory duty to consult with business ratepayers and a meeting will be held in January/February.

- 4.2 The Budget Report to Council in February 2010 will represent a culmination of the budget process which will have included a number of consultative processes including members, trade unions and in some cases service users.

## **5 FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 5.1 These are contained in the main body of the report.

*Finance Officer Consulted: Mark Ireland*

*Date: 24/11/09*

### Legal Implications:

- 5.2 Agreeing the budget strategies of each directorate is part of the Cabinet's function of formulating budget proposals for subsequent consideration and adoption by Full Council. Cabinet is also able to consider and agree the provisional risk provision and reserves allocations. The recommendations at paragraph 2 above are therefore proper to be considered and, if appropriate, approved by Cabinet

*Lawyer Consulted:*

*Oliver Dixon*

*Date: 24/11/09*

### Equalities Implications:

- 5.3 The budget includes provisions to meet both equal pay compensation and address inequalities in pay through the implementation of job evaluation. All budget proposals have been considered by each Directorate to determine whether they are covered by existing Equalities Impact Assessments or whether new ones are required and if so, how and when they need to be completed. Where appropriate the findings from existing Equality Impact Assessments have been considered as part of the proposal process.

### Sustainability Implications:

- 5.4 Sustainability issues will be taken into account throughout the council's budget setting process.

### Crime & Disorder Implications:

- 5.5 The budget projections identify resources to help replace the reduction in government grants funding of certain crime and disorder initiatives.

### Risk & Opportunity Management Implications:

- 5.6 There are considerable risks to the council's short and medium term budget strategy including the impact of the recession and changes in the national economy, spending exceeding budgets, pressures on existing budgets, further reductions in grant, legislative change demands for new spend. The budget process includes the recognition of these risks in determining the 2010/11 budget and relevant risk provisions are set out in the body of the report.

Corporate / Citywide Implications:

5.7 The report is relevant to the whole of the city.

**6 EVALUATION OF ANY ALTERNATIVE OPTION(S)**

6.1 The budget process allows all parties to put forward viable alternative budget and council tax proposals to Budget Council on 25 February. Budget Council has the opportunity to debate both the proposals put forward by Cabinet at the same time as any viable alternative proposals.

**7 REASONS FOR REPORT RECOMMENDATIONS**

7.1 The council is under a statutory duty to set its council tax and budget before 11 March each year. This report sets out the latest budget assumptions, process and timetable to meet its statutory duty.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Directorate Budget Strategies and overall summary.
2. Capital Investment Programme 2010/11

**Documents in Members' Rooms**

None

**Background Documents**

1. Files held within Strategic Finance section



## Summary

	Culture & Enterprise £'000	CYPT £'000	Environment £'000	Finance & Resources £'000	Strategy & Governance £'000	ASC&H - Housing & LD £'000	ASC&H - ASC & Section 75 £'000	General Fund Total
2009/10 base budget	11,091	45,216	36,487	18,348	11,727	27,145	48,685	198,699
Inflation	112	686	439	172	127	391	767	2,694
Service Pressures	457	4,564	1,202	920	70	2,551	1,934	11,698
Reinvestment	236		150	184				570
Efficiency Savings	-495	-522	-936	-1,046	-227	-2,017	-2,671	-7,914
Other Savings	-227	-1,815	-922	-355	-83	-375	0	-3,777
2010/11 Budget Strategy	11,174	48,129	36,420	18,223	11,614	27,695	48,715	201,970
Cash Limit	11,174	46,189	36,420	18,223	11,614	27,695	48,715	200,030
<b>Savings to be identified</b>	<b>0</b>	<b>1,940</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,940</b>

Staff posts affected	34.0	14.0	20.0	25.0	16.0	0.0	51.0	<b>160.0</b>
Estimated posts deleted FTE	17.5	9.7	6.0	20.0	10.0	0.0	38.5	<b>101.7</b>
Estimated Redundancies FTE	13.4	0.0	3.0	13.0	2.0	0.0	22.0	<b>53.4</b>

## **CULTURE & ENTERPRISE DIRECTORATE 2010/11 BUDGET PROPOSALS**

### **Strategic Context and Direction of Travel**

The Directorate combines and represents much of what is best known and positively viewed about the city. The services delivered and supported consistently come out high in satisfaction surveys, as seen again in the most recent Place survey results.

The Directorate faces significant continuing financial pressures arising from the recession including fluctuating visitor numbers, price sensitivity, ambitious income targets and reduced likelihood of attracting external funding and sponsorship. In addition there is a need to invest in our buildings and meet the maintenance requirements of the Brighton Centre in order for the building to function effectively for the remainder of its life.

The Directorate like the rest of the Council is rethinking what is provided and affordable while still investing in service improvement and making all possible efficiencies.

### **Strategic response to this context**

The overall cash limit increase for the Directorate in 2010/11 is £83,000, as inflationary rises are expected to cost £112,000 there is an inbuilt funding pressure of £29,000. Unavoidable funding pressures total £457,000, mean savings of £722,000 are required to balance the budget and achieve £236,000 re-investment in the services.

The Directorate response includes:

- Reducing costs in most services, using systems thinking across the Directorate over 3 years.
- Giving even better value from our services by improving performance and efficiency through a customer focus, technology, and better business processes.
- Maintaining income levels where possible by broadening the range of activities, offering online payment services, and securing sponsorship.
- Improving value for money more widely through collaboration, business partnership, and alternative models of service delivery. For example community libraries as community hubs.

### **Financial and Service pressures**

The main financial and service pressures on the Directorate are shown in the following tables.

<b>Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2010/11 £'000</b>
Royal Pavilion, Museums and Venues income shortfall	360
New rateable values for the Royal Pavilion and Museums	40
New rateable values for Venues	45
New rateable values for Libraries	12
<b>TOTAL</b>	<b>457</b>

<b>Table 2 - Service Pressures as a result of grant funding coming to an end (dealt with in Council's overall budget strategy)</b>	<b>2010/11 £'000</b>
Loss of DWP grant for Castleham Supported Employment service	180
<b>TOTAL</b>	<b>180</b>

The Directorate has financial pressures as a result of DWP grant funding for the Castleham Supported Employment service coming to an end part way through next year. One-off funding has been identified within the Council's overall budget proposals to keep the service open during 2010/11 while careful consideration is given to the options for the future of the service and employment of its staff.

### **Proposals for Main Service Areas**

#### ***Tourism & Venues***

The approach to the 2010/11 budget is to review Tourism and Venues back office support functions to save £68,000. As both Tourism and Venues generate a significant proportion of the gross expenditure from revenue, the proposals for 2010/11 are intended to create the required savings without jeopardising current and future revenue streams. A proposal regarding the use of the Brighton Centre re-development reserve is included elsewhere on this Cabinet agenda and this will help alleviate maintenance pressures and provide for service improvement which can in turn generate improved revenue and better economic impact.

#### ***Royal Pavilion & Museums***

The approach to the 2010/11 budget setting process is to minimise impact on the service's ability to deliver council priorities, contribute to the Local Area Agreement commitments (schools and visitor figures), maintain satisfaction levels, deliver the 2009-11 Renaissance programme and achieve income targets at the Royal Pavilion. It is proposed to:

- Delete vacant posts in conservation and design, guiding, marketing, interpretation and curatorial teams where the service has already been reshaped to absorb impact - estimated £133,500.

- Reduce senior management and administration roles and costs - estimated £126,500.
- Recover costs of £20,000 for the Security and Fire Manager by 'selling' on expertise.
- Matching services more closely to demand. It is proposed to introduce timed tours at Preston Manor which will reduce staffing levels required when the building is open to the public. It is also proposed to reduce opening hours at the Booth Museum by approximately 35% which will reduce the level of staffing levels required while still enabling services to schools, other pre-booked groups and special events to continue during closed times. Estimated saving of £50,000.
- Reduction in supplies services and premises costs £30,000.

### ***Libraries & Information Services***

The approach to the 2010/11 budget is to:

- Move the Brighton History Centre main services to Jubilee Library in anticipation of development of 'The Keep' in two years time, deleting 4 staffing posts one of which is vacant, to generate a maximum saving of £62,000. The Centre is managed jointly with museums and the staff are line managed through the Royal Pavilion & Museums division.
- Reduce supplies and services costs generating savings of £40,000.

### ***Culture & Economy***

The approach to the 2010/11 budget is to make a small reduction in the contribution to the Brussels office of £2,000 to take it to £4,000 per annum; maintaining our membership at a minimal level in order to ensure we retain the ability to influence the development of funding regimes and decisions and continue to receive specialised information services. Additionally, to use external funding to support the Business Forum generating savings of £40,000. This will provide continuing support to this essential element of business infrastructure for the city's Business Forum and the Chamber of Commerce. Finally, to take advantage of low RPI inflation on the Dome contract generating savings of £25,000.

### ***Major Projects & Regeneration***

The approach to the 2010/11 budget will deliver £70,000 savings by:

- Streamline the management structure resulting in the deletion of a senior management post to create one core team of professional Project Managers with appropriate support.
- Continue to build consensus and revisit the prioritisation of projects.
- Strengthen the Team's consistent approach to the design and delivery of projects by sharing project experience, knowledge and learning across the team.
- To ensure that where projects are being developed in the same geographical area or within close proximity to each other, such as Moulsecoomb/Falmer or the seafront, procedures are put into place to establish project collaboration in order to make the best use of development opportunities.

**Director's Office**

The approach to the 2010/11 budget is to share support functions across the directorate generating savings of £25,000 and to reduce Supplies and Services costs by cash limiting the budget saving £30,000.

**Reinvestment**

In the budget proposals the Directorate proposes to provide reinvestment of up to £236,000 to fund:-

- Royal Pavilion & Museums service pressures of £190,000 to support the service review and ensure income targets are achieved.
- Investment in modernisation of Libraries Services of £46,000. This will be through either e-books, online and self service technologies and improvements to stock in line with public demands thereby delivering better value for money; or alternatively to offset the Libraries service pressure around the Jubilee Library PFI contract for possible energy cost increases.

**Staffing Implications for the Directorate:**

In 2010/11 latest estimates indicate some 20 staff posts will be affected.

**Key Risks:**

The recession may impact on areas such as visitor numbers, income and external funding. The position will be volatile and difficult to predict and will be closely monitored with alternative strategies and in-year recovery measures developed if necessary.

<b>Culture &amp; Enterprise</b>						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures & Reinvestment	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
<b>Main Service Area</b>	£'000	£'000	£'000	£'000	£'000	£'000
Tourism & Venues	1,637	5	45	-68	0	-18
Royal Pavilion & Museums	2,198	7	590	-340	-20	237
Libraries & Information Services	4,066	55	58	-62	-40	11
Culture & Economy	2,508	36	0	0	-67	-31
Major Projects & Regeneration	472	6	0	0	-70	-64
Directors Office	210	3	0	-25	-30	-52
<b>TOTAL</b>	<b>11,091</b>	<b>112</b>	<b>693</b>	<b>-495</b>	<b>-227</b>	<b>83</b>

## CYPT DIRECTORATE 2010/11 BUDGET PROPOSALS

### Strategic Context and Direction of Travel

Good progress was made in terms of managing expenditure in 2008/09 with a reduction in numbers and associated spend on Looked After Children. In 2009/10 however, national events in relation to child protection and safeguarding following the death of Baby P have placed the department's budget under very significant pressure.

This pressure relates, in the main, to the following areas:

- Child Agency and In House Placements
- Services for Care Leavers
- Legal/Court costs
- Area Preventative Payments

### Strategic Response to this Context is:

The overall cash limit increase for the directorate in 2010/11 is £0.973m, £0.287m above the inflation allowance. Unavoidable funding pressures totalling £4.564m (table 1) have been identified which means that savings of £4.277m are required to balance the budget. Any investment in services would require further savings.

In developing these budget proposals it has been essential to secure efficiency savings whilst at the same time developing a robust strategic and transformational approach to the increased demand arising as a result of the aftermath of Baby P, the implementation of Laming recommendations and the introduction of the Public Law Outline.

The main elements to the budget strategy include:

- Savings in leadership and management with the third stage of a major restructure completing in 2010/11.
- Realignment and reprioritisation of existing budgets and grants to ensure the safe management of increased demand at the frontline particularly in relation to social work.
- Focus on efficiency and value for money particularly in high cost high spend areas such as agency placements.
- Transformation of service provision through investment in Early Intervention and Prevention.

In the short and medium term, the approach will be to ensure existing services are focussed on families most at risk. This will involve sharper targeting and improved multi agency focus in the development of a 'Team Around The Family' approach. The current Family Pathfinder Project will be central to informing the development of effective early intervention and prevention in the longer term, to ensure the cost benefit of this new way of working.

### Financial and Service Pressures

The main financial pressures on the Directorate's services are shown in table 1 below:

<b>Table 1 - Main Financial Pressures</b>	<b>2010/11 £'000</b>
<b>Corporate Critical</b>	
Disability Agency Placements	80
Independent Foster Agency (IFA) placements	1,758
Residential Agency Placements	391
Secure Accommodation	166
In-House Placements	766
Care Leavers	77
<b>Corporate Critical Total</b>	<b>3,238</b>
New requirements stemming from the creation of the Independent Safeguarding Authority & additional costs of Local Safeguarding Children's Board	21
Unaccompanied Asylum Seeking Children	100
Southwark Judgement	87
Legal Costs	550
Section 17 preventive payments	250
Emergency Duty Service	80
Storage of records	50
<b>BHCC CYPT Total</b>	<b>4,376</b>
<b>Community Health Budgets</b>	
Feeding Sets and Orthoses	88
Health Savings requirement	100
<b>Community Health Budgets Total</b>	<b>188</b>
<b>Brighton &amp; Hove Teaching PCT</b>	<b>0</b>
<b>CYPT Total Budget Pressures</b>	<b>4,564</b>

CYPT 2010/11 budget pressures total £4.564m. With identified savings of £2.337m and the above inflation cash increase of £0.287m the resultant unfunded pressure currently stands at £1.940m. The overall budget package includes a £1m risk provision in relation to CYPT safeguarding activities as a

result and work continues to identify savings to bridge the remaining £0.840m and reduce the expected call against that risk provision.

There are no service pressures within CYPT as a result of grant funding coming to an end.

### **Proposals for Main Service Areas**

#### ***Area Integrated Working***

Social Work and Health Visiting are experiencing increased demand for their services and it is therefore difficult to identify budget savings in staffing costs in these areas. For 2010/11 £500,000 will be saved by off-setting core activities against any available flexibility in grant funding streams instead of using those grants to fund additional services and there will be a £100,000 reduction in the Graduate Leader Fund. Both of these grants are part of the Council's Sure Start funding allocation.

£200,000 (10% savings) from the Connexions grant (part of the Area Based Grant) are proposed by reducing the commissioning cost of grant supported, or contracted services or contracts and making some reductions in areas which are not achieving sufficient value or outcomes. £141,000 savings in management costs will come from reductions in 3<sup>rd</sup> tier management posts as part of the current CYPT restructure.

#### ***Learning, Schools and Skills***

A 10% saving on the home to school transport budget is proposed equivalent to £332,000. This will require careful consideration in reviewing and significantly changing the criteria for the allocation of transport to children and young people who have Special Educational Needs (SEN) or are vulnerable. A range of smaller efficiency savings and modest increases in income will be made across a number of other budgets with no one saving being above £20,000 but totalling £177,000 in all.

#### ***Citywide Services***

Given that the overall strategic direction for the CYPT is towards prevention and early intervention, budgets in the appropriate teams or services have been preserved (e.g. Direct Payments) whilst re-aligning the spend on some highly specialist services such as fostering and adoption and Youth Offending, because spend in those services is above the level of comparator authorities. This means that the concurrency service can be mainstreamed to save £120,000 from its current stand alone costs and £150,000 will be released from the currently under-spending adoption allowances budget. £126,000 will be saved from the Youth Offending Service through greater targeting of the casework.

£318,000 is proposed to be saved from transferring existing costs to the Aiming High Grant rather than using it for additional services. A £125,000 reduction in the total available respite care is proposed.

#### ***Strategic Commissioning and Governance***

Savings will be made from staffing and supplies and services of £48,000.

#### ***Further savings to deliver a balanced budget***

Work is ongoing to identify the scale of potential savings on the corporate critical budgets and other savings opportunities. Proposals are emerging that should ensure the identification of more cost effective placements which meet



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the needs of the children and young people in care both as a result of better tailoring of care packages and also by reducing the levels of commissioned spend through better procurement.

### Staffing Implications for the Directorate:

In 2010/11 approximately 14 posts are affected by the budget proposals.

### Key Risks:

Assumptions about the numbers of children and young people who will enter and leave the care system are critical to the overall budget for CYPT. Delivering savings on the corporate critical budgets will require better commissioning, governance and cross agency working to ensure safeguarding responsibilities are fulfilled.

A significant quantity of savings are proposed from using specific grants to offset existing expenditure. This can be legitimately done within the grant conditions although there is an expectation that these grants are used to provide additional services.

### 2010/11 Budget proposals summary:

CYPT						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000
Director	-268	10	50	0	0	60
Area Integrated Working	12,572	147	1,064	-341	-600	270
Learning, Schools and Skills	6,074	68	0	-25	-484	-441
Citywide Services	25,028	433	3,241	-120	-719	2,835
Strategic Commissioning and Governance	1,810	28	209	-36	-12	189
<b>TOTAL</b>	<b>45,216</b>	<b>686</b>	<b>4,564</b>	<b>-522</b>	<b>-1,815</b>	<b>2,913</b>

## **ENVIRONMENT DIRECTORATE 2010/11 BUDGET PROPOSALS**

### **Strategic Context and Direction of Travel**

The Environment Directorate shapes the appearance of the city and leads the creation of a public realm which is safe for residents and visitors. To do this, there are a complex range of services and funding arrangements to deliver as much money as possible to actual service delivery on the ground. There is a mix of financial arrangements such as capital projects funded through the Local Transport Plan (LTP) and other external grants for the community safety work. There is also a mix of types of provision to best meet the city's needs such as use of external contractors, for example NCP for parking enforcement and Veolia for the provision of waste disposal services.

There are significant reductions in Area Based Grant (ABG) both in 2010/11 and 2011/12 which affect the Partnership Community Safety Team despite an additional £250,000 already being built into the base budget for this service.

### **Strategic Response to this Context is:**

The overall cash limit adjustment for the directorate is a reduction of just over £0.5m meaning that the directorate has a £0.5m budget pressure to fund before dealing with its own service pressures. Unavoidable service pressures and loss of grant income totalling £1.2m mean savings of over £1.7m are required to balance the budget. Savings in excess of this have been achieved which has allowed £150,000 of service reinvestment to take place.

Over the last two years the directorate particularly focussed delivery of savings in Cityclean where there have been significant opportunities for efficiency savings through streamlining and modernising services and increasing productivity. This year savings in this area are primarily linked to reductions in waste levels.

Only modest increases in parking charges are proposed this year.

A range of other opportunities to improve value for money and generate additional income have been identified. This enables a further £250,000 of lost ABG funding to be replaced in this budget strategy. A further £150,000 is planned to be covered through better joining up of a range of other grant funding streams across the organisation to ensure there is no duplication of similar provision for the same client group. A temporary budget provision of £75,000 has been retained to cover staff costs until the rationalisation work is complete to minimise the risk of redundancies. It is not possible within the current budget strategy to directly replace the remaining £112,000 of grant. However the significant investment in the Turning the Tide project in the HRA will have some mitigating effect on this.

### **Financial and Service Pressures**

The main financial pressures on the Directorate's services are shown in tables 1 and 2 below:

<b>Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2010-11 £'000</b>
New rateable values for our buildings & car parks	100
Reduction in Development Control income	230
One off costs of Public Planning Enquiries	250
No inflationary increase for Penalty notices	110
<b>TOTAL</b>	<b>690</b>

<b>Table 2 - Service Pressures as a result of grant funding coming to an end (partly dealt with in this budget strategy)</b>	<b>2010-11 £'000</b>
Loss of Area Based Grant Funding	512
<b>TOTAL</b>	<b>512</b>

### **Approach to Savings in 2010/11:**

#### ***Public Safety***

Savings will arise following amendments to contracts and a realignment of spend towards prioritised services which will generate savings of £213,000. Management changes should deliver a further £100,000 savings.

#### ***City Services***

The full year effect of the service changes delivered in 2009/10 exceeded projections in the original business plan and means the service will produce £200,000 in efficiency savings for 2010/11. The continued reduction in waste levels in the city will provide a saving of £290,000.

#### ***Sustainable Transport***

Efficiency savings of £80,000 will be generated from bringing maintenance of parking machines back in house following termination of the Parkeon Contract. The majority of parking tariffs will be frozen in 2010/11. There will be an increase in short stay tariffs in selected areas. This is likely to mainly affect central Brighton areas and city centre car parks but should deliver about £318,000 of increased income

Subsidised bus services currently cost the council £1.505m. Currently we spend £49.63 per head with the average across unitary authorities being £20.73. It is proposed that around £200,000 savings could be made by detailed examination of usage and subsidy levels against social needs, assessment against Transport Priorities and legal obligations. There would be a requirement to consult before re-prioritising these services.

#### ***City Planning***

For 2010/11 the proposals are to reduce advertising costs, saving £30,000 and generate efficiencies from the application of the 'systems thinking' (see note at the end of the appendix) review methodology to achieve further savings of £50,000.

**Sport & Leisure**

There will be a full review of rents for seafront properties, ensuring that we retain fair and reasonable rents. This is expected to generate additional income of £80,000. It is proposed to build and sell 17 new beach huts (subject to planning permission) on the promenade adjacent to Hove Lagoon, which should generate a further £80,000. We will carry out a review of the programme and pricing structure for outdoor events which should generate a minimum amount of £10,000. We are currently looking to outsource the management arrangements for the council's 2 golf courses at Hollingbury Park and Waterhall subject to Cabinet agreement, which we anticipate will secure a £20,000 annual saving.

**Reinvestment**

In the budget proposals the Directorate proposes to provide reinvestment of up to £150,000 to fund:-

- Additional investment seafront maintenance of £100,000 recurrent funding including an enhanced painting programme for the seafront railings.
- The operating costs for a new gum removal service.

**Staffing Implications for the Directorate:**

The main impact on staffing as a result of these budget proposals are in Sustainable Transport Division and in Public Safety due to the changes in management arrangements and the loss of some ABG.

**Key Risks:**

The routes affected by the reduction in subsidised bus routes will need to be determined and consulted upon. The services affected by the loss of ABG will need to be determined taking into account the risk and impact of the various initiatives funded in this way.

**2010/11 Budget proposals summary:**

<b>Environment</b>						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures & Reinvestment	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
<b>Main Service Area</b>	£'000	£'000	£'000	£'000	£'000	£'000
City Planning	2,294	28	480	-80		428
City Services	29,640	359	50	-490		-81
Sport & Leisure	2,085	25	50	-20	-170	-115
Public Safety	3,722	42	512	-266	-234	54
Sustainable Transport	-1,254	-15	260	-80	-518	-353
<b>TOTAL</b>	<b>36,487</b>	<b>439</b>	<b>1,352</b>	<b>-936</b>	<b>-922</b>	<b>-67</b>

**FINANCE & RESOURCES DIRECTORATE 2010/11 – 2012/13 BUDGET PROPOSALS**

**Strategic Context and Direction of Travel**

The context of our service and financial planning for 2010/11 to 2012/13 includes significant continuing financial pressures arising from the recession in particular commercial rents, land charges income and business rates revaluation which impact on the council's main corporate buildings and reductions in benefits administration grant at a time of increased demand.

In addition the Directorate needs to provide robust and responsive support services which support the council through major changes at low cost.

The Directorate like the rest of the Council will need to rethink what is provided and affordable while still investing in improvements and making all possible efficiencies.

**Strategic response to this context is:**

The cash limit budget allocation for the directorate (excluding Planned Maintenance) in 2010/11 is a reduction of 1.5%, this creates a pressure of £0.330m just to meet the cost of inflation. Unavoidable service pressures and a reduction in government housing benefit administration grant totalling £0.920m, mean the directorate is required to find £1.25m in savings to balance the budget.

To achieve the cash limit the directorate is improving value for money by:

- Using the 'systems thinking' reviews. This approach checks that all our work adds value to the customer and there is no waste duplication in our processes.
- Ensuring our internal and external customers access the right advice and support the first time they contact us and in the most appropriate and cost-effective way, whether face to face, by telephone or through the web.
- Supporting improved income collection and recovery in our services and across the council, for example, through better payment facilities and cash management.
- Improving procurement, our use of office accommodation and technology, and ensuring that temporary resources are available to deliver major initiatives in this area which will deliver longer term savings.

**Financial and Service Pressures**

<b>Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2010-11 £'000</b>
Reduction in land charges income	200
New rateable values for our corporate buildings	70
Reduction in Commercial Rental income and associated increase in empty property business rates.	500
<b>TOTAL</b>	<b>770</b>

<b>Table 2 - Service Pressures as a result of grant funding coming to an end (dealt with as part of the budget strategy)</b>	<b>2010-11 £'000</b>
Reduction in Housing Benefit Administration Grant from the Government	150
<b>TOTAL</b>	<b>150</b>

### **Approach to savings in 2010/11:**

#### ***Property Services***

Effective procurement of corporate cleaning and small facilities contracts and contract efficiencies from reactive maintenance and responsive repairs in civic and environment buildings will deliver £135,000.

Restructuring of the facilities post and security teams to deliver staffing savings of £55,000.

#### ***Customer Services***

Improve council tax collection through implementation of the findings of the enforcement review and using an external firm to challenge and review single person discounts is expected to deliver an additional £335,000. Providing the opportunity to pay by credit card for council tax and business rates with a charge for the transaction costs should generate a further £10,000.

£60,000 is proposed to be saved by applying the 'systems thinking' review methodology to reduce processing costs in housing benefits. A further £46,000 will be generated from other smaller efficiencies.

#### ***ICT***

Staffing savings of £180,000 will be made as a result of making more effective use of existing contracts for cabling and PC deployments and reducing management costs. A reduction in the frequency of PC replacements as a result of better application delivery will deliver £63,000. One off savings from the Microsoft Enterprise Agreement budget which does not need renewal in 2010-11 will amount to £257,000.

#### ***Finance***

It is proposed to fundamentally redesign the finance function through a 'systems thinking' review to further reduce costs but enhance investment in business partnering and quality of information. This will deliver £180,000 in 2010/11. We will absorb costs within existing staffing structure for the administration of insurance small claims handling and the new Brighton & Hove only concessionary fares scheme and make savings on external audit fees by placing greater reliance on internal audit to save a further £80,000.

The savings proposals generate an additional £184,000 one off resources in 2010/11 and this will be invested on a spend to save basis in a range of areas as follows:

- Internal project management to reduce the council's requirements for office accommodation.
- Internal project management to improve access to council services for our customers.

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- A Business Analyst post to support the “systems thinking” reviews across a range of council services.
- Additional capacity in the strategic procurement team, particularly with category management expertise.
- An Energy Analyst post to provide robust information to ensure we can reduce our ongoing energy consumption in the light of carbon trading requirements and the 10:10 commitment

### Staffing Implications for the Directorate:

In 2010/11 approximately 25 posts are affected by the budget proposals, with 20 posts being deleted. There is a possibility of up to 13 redundancies.

### Key Risks:

The recession may impact on areas such as commercial rent income, business rates (empty properties), local land charges (due to the housing market) and housing benefit administration if the number of claimants continues to increase. The position will be volatile and difficult to predict and will be closely monitored with alternative strategies and in-year recovery measures developed if necessary.

Volatile energy costs can have a significant impact in life event services, the corporate accommodation portfolio, and capital schemes. Energy efficiency measures can help to mitigate some of this risk but this depends on the level of any future increases.

### 2010/11 Budget proposals summary:

Finance & Resources						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures & Reinvestment	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000
Finance & Procurement	5,996	83	-	-250	-10	-177
ICT	5,602	41	50	-500	-	-409
Property & Design	2,911	21	654	-190	-	485
Customer Services	3,839	27	400	-106	-345	-24
<b>TOTAL</b>	<b>18,348</b>	<b>172</b>	<b>1,104</b>	<b>-1,046</b>	<b>-355</b>	<b>-125</b>

## **STRATEGY & GOVERNANCE DIRECTORATE 2010/11 BUDGET PROPOSALS**

### **Strategic Context and Direction of Travel**

Strategy & Governance is a small directorate at the centre of the organisation and 25% of the budget supports external third parties (such as grant funding to the Community and Voluntary Sector) and members allowances. Around 30% of the total budget comes from recharging internal clients or trading externally with third parties.

The recession has impacted on the legal services team through a reduction in the number of revenue generating property transactions and there are significant workload increases as a result of the levels of child protection activity.

### **Strategic Response in this Context:-**

The total savings required across Strategy & Governance to meet the residual service pressures, inflation and to result in a net change in the budget of a saving of £113,000 are £310,000. The focus is:

- Reducing costs in the back office by implementing new technology (e.g. investment in an HR system that will go live in October 2010 and the modern.gov system for Democratic Services).
- Transform our approaches to service delivery, ensuring value for money and higher quality and designing new approaches (for example in external communications, grant aiding to the Community and Voluntary Sector, business planning, internal communications, legal services expenditure, HR support to service directorates and schools, etc.).
- Ensuring the organisation has the capacity to tackle the “big issues” (e.g. equal pay) that are essential for our longer term health.
- Reduce management layer costs where appropriate.
- Maximising opportunities to gain income from third party transactions (e.g. providing legal and communications services on a traded basis to other public service bodies).
- Actively seeking sponsorship or partnership funding for key activities (e.g. Celebrating Excellence awards).



## Financial and Service Pressures

The main financial pressures on the Directorate's services over the next three years are shown in table 1 below:

<b>Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2010-11 £'000</b>
Economic downturn impact on Legal Services	70
<b>TOTAL</b>	<b>70</b>

Other pressures have been mitigated through renegotiating funding levels with service departments. There are no service pressures within Strategy & Governance as a result of grant funding coming to an end.

## Approaches to savings 2010/11

### *Human Resources*

The new HR system is central to the delivery of Human Resources financial strategy. The new system will not only enable continual improvement to the customer experience but also drive out efficiency savings from within HR and the organisation, all within the context of a modern, efficient, timely and accurate HR service. The identified savings of £111,000, will be delivered by a combination of employee/manager self service which will stop the duplication of data entry, the introduction of electronic pay slips, improved recruitment cycle flow, remote input of time sheets and automated sick pay and pension routines. It is anticipated that there will be a reduction of 6 full time equivalent administration posts from within the People Centre in addition to any reduction of posts required to repay the capital costs of the HR system.

### *Communications*

The Communications Team is completing an extensive internal and organisational VFM review of communications and print & design in order to identify the resources currently employed by the council and to consider and develop more effective ways of using these resources in order to reduce cost, improve reputation, deliver a consistent message and to strengthen the brand. Communications are proposing savings of £35,000. This will be delivered by a combination of further reorganisation of its internal structures and rationalising the use of existing software used within the service.

### *Legal & Democratic Services*

The total savings proposed are £20,000 and comprise £5,000 from developing the Mayor's Parlour for wedding and civil partnership ceremonies on Saturdays when the Parlour is not in use, £12,000 from reorganising the provision of Scrutiny arrangements and £3,000 from more effective use of Legal Support.

These savings are in addition to action in place to manage pressures down by a combination of maximising all income streams, securing additional funding from clients where appropriate, reviewing the level and scope of the service offered, developing shared services with neighbouring authorities and by reviewing the management and staffing arrangements to maximise efficient use of resources.

**Improvement and Organisational Development (IOD) and Policy**

In line with the desire to refocus parts of the organisation, it is proposed to effectively merge the functions of IOD and the Policy Unit as currently set up. We will delete two Assistant Director posts and use part of the saving to reinvest in service areas, supporting key agendas and developing the next generation of leaders in these areas. It is expected that the net cost of the reshaping of IOD and Policy will result in a reduction of cost of £40,000. A further £20,000 will be realised in additional support from external partners to support work on strategic commissioning and joining up funding arrangements.

**Across the Directorate**

Supplies and services cost reductions and increased vacancy control, which with small savings within Initiative budgets have resulted in efficiency savings of £84,000.

**Staffing Implications**

Across the directorate it is anticipated that there may be up to 16 staff affected representing 10 full time equivalent posts. The majority of staff affected are within HR and it is expected that most of these posts will be those on short term contracts with the balance being redeployed to avoid redundancy. However, there are two posts in other service areas where redundancy is likely.

**Risks**

The downturn in property market continues to reduce income to legal services and unforeseen legislative changes requiring additional resources after the general election. Any delay to the implementation of the HR system will mean that the efficiencies will not be achieved before we need to reduce staff numbers.

**2010/11 Budget proposals summary:**

<b>Strategy &amp; Governance</b>						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
<b>Main Service Area</b>	£'000	£'000	£'000	£'000	£'000	£'000
Human Resources	2,861	20		-143		-123
IOD	1,662	21		-3	-20	-2
Legal & Democratic	1,941	13	70	-16	-12	55
CEPT	2,804	48		-13	-30	5
Director of S&G	434	6		-3	-21	-18
Executive Office	391	5		-6		-1
Communications	568	3		-43		-40
Members Allowances	1066	11		0		11
<b>TOTAL</b>	<b>11,727</b>	<b>127</b>	<b>70</b>	<b>-227</b>	<b>-83</b>	<b>-113</b>

## **HOUSING STRATEGY AND LEARNING DISABILITIES 2010/11 BUDGET PROPOSALS**

### **Strategic Context and Direction of Travel**

Housing Strategy & Learning Disabilities division contributes to the city's ambitions in the Community Strategy and through the priorities set within the Corporate Plan. Its main aims are to reduce inequality, support independence and improve the quality of life in the City. The division is also actively involved in supporting the wider agenda of partners in the health sector and children's services.

The context of our service and financial planning includes continued high levels and increasing complexity of housing and support needs in the City, in particular in learning disabilities and housing adaptations. There is a significant impact of Housing Benefit changes for temporary accommodation and hostels and potential knock on impact on Adult Social Care & Housing service users. Grant funding is being reduced in a variety of areas including housing capital and adaptations budgets and Supporting People which could increase costs in other service areas.

Following recent announcements there is significant uncertainty at a national level over long term funding arrangements for adult social care.

### **Strategic response to this context:**

The proposals are a continuation of the direction of travel over the last three years including:

- Creating effective pathways through accommodation to maximise resources, independence and prevent homelessness.
- Negotiating savings with Supporting People providers to reduce unit costs in light of significant cuts in grant funding
- Commissioning new services for people with learning disabilities to improve value for money.
- Maximising inward investment and best use of resources in the delivery of major adaptations and private sector renewal assistance we have ensured that people can remain in their own homes and so minimise the impact on community care budgets.
- Maximising commissioning options with our Registered Social Landlord partners to deliver more housing with support, (up to 16% of total affordable housing delivery, 100% lifetime homes and 16% of homes fully wheelchair adapted).
- Continuing to improve performance and efficiency through a focus on our customers, use of technology and innovation, and reviewing our business processes to create efficiencies.
- Ensuring we maximise appropriate income streams.
- Ensuring we continue to meet our obligations to safeguard vulnerable adults.

### Financial and Service Pressures

The main financial pressures on the Directorate's services over the next three years are shown in tables 1 and 2 below:

<b>Table 1 - unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2010-11 £'000</b>
<b>Housing Strategy</b>	
Housing Benefit rates-DWP changes	500
<b>Sub –total Housing Strategy</b>	<b>500</b>
<b>S75 Council Lead : Learning Disabilities</b>	
Transitions from CYPT equivalent to 16 service users	885
Demographic Growth Learning Disabilities equivalent of 33 service users	516
<b>Sub –total S75 Learning Disabilities</b>	<b>1,401</b>
<b>TOTAL PRESSURES HSG &amp; LD</b>	<b>1,901</b>

<b>Table 2 - Service Pressures as a result of grant funding coming to an end (dealt with as part of budget strategy)</b>	<b>2010-11 £'000</b>
<b>Housing Strategy</b>	
Reduction in Supporting people Grants	592
<b>Sub –total Housing Strategy</b>	<b>592</b>
<b>S75 Council Lead : Learning Disabilities</b>	
Reduction in Preserved Rights Grants	58
<b>Sub –total S75 Learning Disabilities</b>	<b>58</b>
<b>TOTAL PRESSURES HSG &amp; LD</b>	<b>650</b>

These pressures require the directorate to find £2.4m of savings (or 8% of its net budget) to meet the target cash increase over 2009/10. The target increase in cash limit over 2009/10 is a reduction of £0.036m on Housing and 3% (0.586m) for Learning Disabilities. The cash limit has been met from improved efficiency (£2.017m or 7% of the budget), and increased income (£0.375m or 1%).

#### **Approach to savings in 2010/11:**

##### ***Housing Strategy***

The approach to the 2010-11 budget is in line with the strategic response context outlined above in particular to maximise income through conversion of Management Agreements to lease arrangements which will attract higher level of housing benefit in light of the new DWP Housing Benefit changes from April 2010 and so generate £147,000 savings.

Better commissioning of leased accommodation through improved contract management, reduced void levels and improved processes will generate £275,000

Efficiency savings in supplies and services, income maximisation and renegotiation of current leasing arrangements within hostels £143,000

**S 75 Council Lead: Learning Disabilities**

The approach to the 2010-11 budget is to continue to improve value for money through better commissioning and contracting to save £221,000. Increasing the use of Personalised Budgets and prevention to manage growth more effectively and reduce the numbers of people in residential care through use of supported living and private sector housing models will save £425,000. As a result this will enable people to move on into personalised services to maximise their independence, choice and control. Commission a new personalised supported living service in Wellington Road to provide efficiencies for new and existing placements generating £328,000 savings. Ensure appropriate funding streams are received including Continuing Health Care which should deliver £261,000 additional income.

**Supporting People**

The reduction in grant funding of £592,000 will be delivered within the existing Supporting People strategy which had been planning for this level of year-on-year reductions through service remodelling and efficiency savings. It is particularly dependent on the availability of appropriate “move-on” accommodation.

**Staffing Implications for the Directorate:**

No staffing implications are anticipated at this time.

**Key Risks:**

Plans should be reviewed in the context of risk around receipt of Continuing Healthcare funding from the PCT for claims submitted in 2008/9 which remain unresolved.

**2010/11 Budget proposals summary:**

<b>Adult Social Care and Housing</b>						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
<b>Main Service Area</b>	£'000	£'000	£'000	£'000	£'000	£'000
Housing Strategy	4,505	29	1,092	-1,043	-114	-36
S75 Learning Disabilities	22,640	362	1,459	-974	-261	586
<b>TOTAL</b>	<b>27,145</b>	<b>391</b>	<b>2,551</b>	<b>-2,017</b>	<b>-375</b>	<b>550</b>

## **ADULT SOCIAL CARE & S75 PORTFOLIO 2010/11 BUDGET PROPOSALS**

### **Strategic Context and Direction of Travel**

Adult Social Care is a statutory service and directly provides or commissions advice and support services for vulnerable adults in the City including disabled people, older people, people with mental health problems, including dementia, and those with sensory loss. The services provided include a universal offer of advice and signposting through to support for independent living, re-ablement, equipment and adaptations, day options and residential and nursing care.

The context of our service and financial planning includes demographic growth in Physical Disability and Older People users along with increasing complexity of needs.

There are nationally driven reforms to adult social care including self directed support, personalisation of service provision and budgets and their impact on the use of a Resource Allocation System (RAS)

There are changes to provision of health services which have consequences for social care provision in particular reconfiguration of Acute Mental Health services and the impact of the recommendations from the review of Continuing Health Care

As mentioned earlier there is significant uncertainty at a national level over long term funding arrangements for adult social care. This is in addition to the Social Care Reform Grant being in its last year of agreed funding at £1.167m in 2010/11.

### **Our strategic response to this context includes:**

The proposals are a continuation of the direction of travel over the last three years including:

- Reducing costs in most services, using “systems thinking” across the Directorate over 3 years.
- Reviewing our approach to S75 partnership arrangements and agreeing clear responsibilities.
- Achieving better value for money and customer service by improving performance and efficiency through technology, and better business processes.
- Developing appropriate accommodation and support and maximising housing options.
- Maintaining income levels where possible by maximising benefits.
- Improving value for money more widely through collaboration, health partnership, strong commissioning and alternative models of service delivery. Developing joint initiatives including Shared Lives.
- Focusing on the well-being agenda and working collaboratively to deliver this.

### Financial and Service Pressures

The main financial pressures on the Directorate's services over the next three years are shown in tables 1 and 2 below:

<b>Table 1 - unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2010-11 £'000</b>
<b>Adult Social Care</b>	
Demographic Growth- Physical Disabilities- equivalent to 40 additional homecare service users	309
Demographic Growth and increasing complexity and increasing vulnerability Older People, equivalent to 26 service users	400
Expected overspend 2009/10- resultant pressure on 2010/11	780
<b>Sub –total Adult Social Care</b>	<b>1,489</b>
<b>S75 Health Led : Provided through Sussex Partnership Foundation Trust (SPFT) and South Downs Health Trust (SDHT)</b>	
Demographic Growth Adult Mental Health equivalent of 4 service users plus reconfiguration of health services (£200,000 pa)	367
<b>Sub –total S75 Health</b>	<b>367</b>
<b>TOTAL PRESSURES FOR PORTFOLIO</b>	<b>1,856</b>

<b>Table 2 - Service Pressures as a result of grant funding coming to an end (dealt with as part of budget strategy)</b>	<b>2010-11 £'000</b>
<b>Adult Social Care</b>	
Reduction in Preserved Rights Grants	58
<b>Sub –total Adult Social Care</b>	<b>58</b>
<b>S75 Health Led : Provided through Sussex Partnership Foundation Trust (SPFT) and South Downs Health Trust (SDHT)</b>	
Reduction in Preserved Rights Grants	20
<b>Sub –total S75 Health</b>	<b>20</b>
<b>TOTAL GRANT PRESSURES FOR PORTFOLIO</b>	<b>78</b>

These pressures require the directorate to find over £2.6m of savings for this portfolio (or 5.4% of its net budget) to meet the target cash increase over 2009/10. The target increase in cash limit over 2009/10 is 0.5% (£0.244m) for Adult Social Care & Housing and S75 Health Led Partnerships.

## **Proposals for main savings**

These proposals are set within the context of the transformation of social care services set out within the agenda of the Putting People First concordat. They are broadly set out under 4 headings.

### ***Personal Budgets***

The shift in focus is that everyone who meets the council's eligibility criteria (critical and substantial) will be allocated a Personal Budget (PB). Through the application of a Resource Allocation System (RAS), service users work with the authority to agree their assessed and eligible needs; these needs are then allocated a resource amount which the person then chooses how to spend, thereby giving more choice and control. Carers generally welcome this approach because the person is given access to a much wider range of services. Research shows that in most cases the costs are reduced.

From 2010/11 all new clients will be allocated a personal budget. In addition, those service users who receive community care will also move to personal budgets during the year as their needs are reviewed. The savings set out are therefore based on 2,000 service users with 30% of people receiving community based services benefitting from this new model of funding social care.

As a result savings of £410,000 can be made by individuals making more cost effective decisions about services which are more tailored to their needs, maximising individual benefits and other sources of income.

### ***Re-ablement***

Following a value for money review of home care we have moved mainstream resources into the independent sector and reinvested the savings made to establish new and innovative services in the form of the 'Community Solutions Team' and 'Independence at Home'. This team, a mix of home care and OT staff, now works with all new referrals from the Access Point to ensure that maximum independence can be achieved, resulting in lower admissions to residential care and lower 'at home' support costs.

Analysis during the first six months of this service has demonstrated significant success with over 50% of people needing far less support after 6 weeks of re-ablement.

The future savings proposals are based on wider roll out of re-ablement over the next few years. The financial sustainability model demonstrates that savings of 28% can be realised by applying this model not only to those at risk of not returning home but to those that have needs that could be better met by further utilisation of technology (Telecare), aids and adaptations and re-skilling.

As a result of this more effective re-ablement model of service provision £200,000 can be saved when applied to referrals from the Access Point and hospital discharges.

### ***Workforce***

Traditional workforce models will not be appropriate for a transformed social care service. The new service will be based on self assessment and co-production, this will be supported by the development of User Led Organisations (ULO's) that will assist people to become 'brokers' of their own service design and delivery. We have developed a new workforce strategy



designed around this and the principles of a whole system approach. What this means in reality is that experienced and qualified staff will be deployed into 3 key areas of; robust assessment of need at first point of contact, reviews that focus on re-ablement, personal budgets and co production and safeguarding. These design principles will take our most qualified and experienced staff away from the bureaucracy and place them in key roles best matched to the highly professional skills they have.

Financial modelling of this new service design shows that 10% savings can be made across the workforce. However, whilst the above are being implemented stability need to be maintained, therefore a greater quantity of workforce savings will be delivered during 2011/12. In 2010/11 it is anticipated that £300,000 could be achieved.

### ***Market Redesign***

The above strategies will result in a fundamental market shift that will need careful management. Already the use of personal budgets has resulted in people opting for more person centred services resulting in, for example, a reduced take up of traditional day services. Therefore one of the budget savings proposals is to de commission a day service that has less than 60% take up which is expected to generate savings of £200,000. Those people who still require this service can easily be accommodated in the other day service provision that is also experiencing less than optimal use.

Other savings include:

- Better commissioning of provider contracts to save £50,000.
- Redesign short term services in the community and bed based to reduce length of stay, prevent admissions to hospital and enable service users to regain independence to save £100,000.
- Review financial assessment functions by implementing Value for Money review recommendations and increasing client contributions to generate £40,000.
- Implement recommendations from commissioning strategy for OPMH £70,000.
- Sensitively review all Older People Mental Health /Adult Mental Health placements focussing on reduction in costs and increased 'move on' to deliver £290,000
- Review arrangements at Intermediate Care facility and reduce unit costs £300,000 by ensuring that health fund the appropriate levels of care in this setting.
- Review Integrated Community Equipment Service arrangements and respective contributions of social care and health.

Better commissioning of services from independent sector providers will drive out efficiencies of £300,000 by cash limiting contract values. This will enable us to achieve reductions in unit costs and bring spend in line with comparator authorities. Similarly, partnership contributions to the Sussex Partnership Foundation Trust (SPFT) will be cash limited to save £200,000. This will impact on partnership relations and relies on SPFT delivering efficiencies.

**Back Office support**

Review of strategic functions and discretionary services will deliver savings as follows – International Development £46,000, Healthy Cities £105,000 and Better government for Older People £4,000.

Reductions in supplies and services costs including energy assumptions will deliver £56,000

**Staffing Implications for the Directorate:**

Latest estimates indicate that approximately 51 staff posts may be affected which could result in up to 22 redundancies.

**Key Risks:**

Delivery of savings will be dependent on successful consultation with health partners, client representatives and staff groups. The scale of the savings and the changes to the model and funding of care are very significant. The change programme will need to be well resourced and tightly monitored to ensure delivery.

There are a range of complex assumptions that underpin the budget including demand for services and the impact of remodelling on costs.

**2010/11 Budget proposals summary**

<b>Adult Social Care &amp; Health led S75 arrangements</b>						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
<b>Main Service Area</b>	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	36,117	560	1,547	-1,811	0	296
S75 SPFT	10,477	183	387	-560	0	10
S75 SDHT	2,091	24	0	-300	0	-276
<b>TOTAL</b>	<b>48,685</b>	<b>767</b>	<b>1,934</b>	<b>-2,671</b>	<b>0</b>	<b>30</b>

## HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2010/11

### Strategic Context and Direction of Travel

The HRA budget will be set within the context of the overall aim of 'achieving excellence', by focusing on five core strategic priorities as detailed in the Housing Management Service Improvement Plan 2009 - 2012. These are:

1. Improve services to an excellent standard, with residents at the heart of everything we do
2. Improve the quality and sustainability of our homes and neighbourhoods
3. Deliver value for money services and maintain a sustainable 30 year business plan
4. Make best use of our housing stock to address housing need
5. Ensure that social housing provides a platform for reducing inequality and creating opportunity

The HRA Budget will also be developed to provide a balanced budget taking into account the HRA subsidy determination and other income and expenditure assumptions. The council's Medium Term Financial Strategy outlines an efficiency savings target for all services across the city of 4%. In setting this budget, officers have taken into account the required level of efficiency savings but also sought to maximise the level of resources available to invest in meeting the Decent Homes Standard.

### Strategic Response in this Context:-

- An annual Housing Subsidy settlement which will result in a net transfer of resources to the government from the council.
- Aligning our resources with the Housing Improvement Plan priorities. This includes investment in the Turning the Tide strategy to tackle anti-social behaviour and reduce social exclusion; the Resident Involvement Strategy, including engaging with residents on developing a local priorities framework and establishing a Tenant Management Organisation; and the new Strategic Repairs, refurbishment and Improvement Partnership.
- Reducing our management costs in recognition of the need to achieve greater value for money in order to have a sustainable future.
- Mobilisation of the 10 year Strategic Repairs, Refurbishment and Improvements partnership. The new contract will result in the transfer of some council staff to our partner contractor. The council will be required to ensure that the employer's contributions to individual's pension schemes up to the date of transfer are fully funded. These are contributions that the HRA, without transfer of staff, would fund over a much longer time frame. The council's exact liabilities will not be known until March 2010.
- The development of a new 'Super Centre' to achieve the strategic aims of the 10 year partnership as well as delivering VFM in terms of the corporate accommodation strategy.

- Lease properties under the LDV scheme over the next four years and the impact on the revenue position.
- Achieve maximum benefit from our asset base and maximise the level of revenue resources available to support the Decent Homes Programme.

**Financial and Service Pressures**

<b>Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2010-11 £'000</b>
Pay and Prices	656
Increase in Subsidy Payment to Government net of rent increase and capital financing	769
TUPE costs – payment over 3 years	350
St James House - development of Tenant Management Organisation	16
Reduction in Investment Income	70
<b>TOTAL</b>	<b>1,861</b>

<b>Table 2 - Service improvements (dealt with as part of the budget strategy)</b>	<b>2010-11 £'000</b>
Additional resources to support Housing Improvement Programme	83
Turning the Tide (increasing the HRA resources to £0.487m)	126
<b>TOTAL</b>	<b>209</b>

The costs of mobilising the new Strategic Repairs, Refurbishment and Improvements Partnership and the Super Centre have been offset against savings in the responsive repairs and voids service from the new contract.

The total service pressure are £2.07m which reduces to £1.434m after taking into account savings proposals.

The HRA currently uses its revenue surpluses to support the capital programme. This will result in a £1.434m reduction in available funding for the 2010/11 capital programme. Although this will reduce the level of funding available to meet the Decent Homes programme, the level of revenue contributions to the programme is in line with the current HRA Business Plan projections to meet decency by 2013.

**Approach to savings in 2010/11:**

Housing Management has identified savings of £636,000 (equivalent to 6% savings target) in the following areas:

- A saving of £176,000 from leasing temporary accommodation properties to the LDV.
- A reduction in supplies and services of £108,000.
- Efficient procurement will achieve savings of £25,000 from the new laundry service, £100,000 from the Sub 100kw electricity contract and £66,000 from the provision of the out of hours repairs service through the new partnership.
- Improved collection of rental income which will result in a reduction in the contribution to Bad Debt Provision of £51,000.
- Garages and car parking charges were reviewed and recommendations for new charges and zone areas were approved by Policy & Resources Committee in November 2006. This report recommended that caps should apply to some charges and they should remain static until April 2010. The removal of these caps for 2010/11 will increase income by approximately £80,000.
- A review of current leaseholder service charges has identified £30,000 in respect of service contracts that will be charged to leaseholders.

**Staffing Implications for the Directorate:**

There are no staffing implications from the savings proposals.

**Key Risks:**

The draft subsidy determination has not yet been received and is due shortly. Once received and analysed, further information will be provided to Cabinet.

The savings from leasing temporary accommodation properties to the LDV are based on the current proposed leasing timetable. Any changes to the timetable will impact on the level of savings achieved.

The mobilisation costs, Super Centre and TUPE costs in respect of the new strategic repairs partnership are greater than anticipated. These budgets will need to be closely monitored throughout the year to ensure that costs are contained.

**Footnote to all strategies:**

**Explanation of “systems thinking” reviews being used to deliver efficiency savings across a wide range of services**

“Systems Thinking” reviews (also known as Lean Reviews) are becoming widely used across service organisations to identify improvements in customer service and efficiency. The reviews focus on what matters to customers or stakeholders and try to ensure that processes are designed to concentrate only on work that is of value to the customer or stakeholder. This is a different way of looking at services compared with traditional service reviews which do consider customer needs but often focus too heavily on organisational, professional, functional or administrative requirements.

<b>Capital Investment Programme Summary</b>	<b>2010/11 £000</b>
<b>Corporate Funds</b>	
- Strategic Investment Fund (Major Projects unlikely to require more than £0.5m therefore £0.25m available for other capital projects)	750
- Asset Management Fund	1,000
- ICT Fund	435
<b>Children &amp; Young Peoples Trust</b>	
- Devolved capital to schools	2,885
- Primary Capital Programme	5,453
- Targeted Capital Fund	6,000
- Children's Centres & early years	1,601
- Modernisation	2,305
- Other education & children's services	3,524
<b>Culture &amp; Enterprise</b>	
- The Keep	500
<b>Strategy &amp; Governance</b>	
- Human Resources System	383
<b>Environment</b>	
- Local Transport Plan	3,019
- Falmer infrastructure works	1,040
- Funding to support King Alfred	750
- Other environmental services	1,338
<b>Finance &amp; Resources</b>	
- Borrowing for operational vehicles	1,750
- Planned maintenance for Social Care buildings	500
- Planned maintenance for operational buildings	1,000
- Other F&R services	233
<b>Adult Social Care &amp; Housing</b>	
- HRA stock	22,200
- General housing	3,469
- Adult social care	1,206
<b>Total</b>	<b>61,341</b>

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<b>Capital Investment Programme Summary</b>	<b>2010/11 £000</b>
<b>Funding</b>	
Supported Borrowing	7,375
Unsupported Borrowing	10,805
Government Capital Grants	28,008
Major Repairs Allowance	9,300
Capital Reserves & Receipts	233
Direct Revenue Funding	5,620
<b>Total</b>	<b>61,341</b>