



**Brighton & Hove
City Council**

**OVERVIEW & SCRUTINY
COMMISSION
ADDENDUM**

2.00PM, TUESDAY, 1 FEBRUARY 2011

COUNCIL CHAMBER, HOVE TOWN HALL

ADDENDUM

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60. SCRUTINY OF BUDGET PROPOSALS; A) BUDGET STRATEGY REPORT TO 9 DECEMBER 2010 CABINET; B) MINUTES OF O&S COMMITTEES; AND C)CVSF RESPONSE	1 - 88

OVERVIEW AND SCRUTINY COMMISSION

Agenda Item 60

Brighton & Hove City Council

Subject: Budget Strategy Scrutiny
Date of Meeting: 1 February 2011
Report of: Strategic Director, Resources
Contact Officer: Name: Tom Hook Tel: 29-1110
E-mail: tom.hook@brighton-hove.gov.uk
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report presents to the Overview and Scrutiny Commission (OSC) draft minutes from each of the Overview and Scrutiny (O&S) Committees budget strategy sessions held during December 2010 and January 2011.
- 1.2 Also appended to the report is a representation from the CVSF following their involvement in the budget scrutiny process.
- 1.3 Members are invited to consider these documents and highlight issues and concerns to Cabinet for discussion at their meeting of the 17 February.

2. RECOMMENDATION:

- 2.1 That the Commission:
 1. Notes the draft minutes from the Overview and Scrutiny Committee meetings and agrees to send these to Cabinet
 2. Notes the CVSF response to the draft budget strategies and forwards it to Cabinet
 3. Agrees on any specific issues it wishes to raise with Cabinet based on O&S Committee minutes and the CVSF response
 4. Instructs officers to review the budget setting process for 2011/12 with a view to improving the scrutiny process

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Each of the overview and scrutiny committees other than HOSC has had the opportunity to comment on the elements of the budget strategy within its remit that were presented to Cabinet on December 14 2010. The Cabinet report is attached as Appendix A to provide Members with the overall budget context. The timetable of meetings has been set out below:

Date	Meeting	Item
9 December	Cabinet	Draft Budget Strategy
14 December	OSC	Overall budgetary position. Resource Units element of the budget.
6 Jan	ASCHOSC	To review budget strategy for adult social care and housing
20 Jan	Cabinet	Council Tax base
25 Jan	ECSOSC	To review budget strategy for environment and community safety
26 Jan	CTEOSC	To review budget strategy for culture, tourism and enterprise
26 Jan	CYPOSC	To review budget strategy for children and young people
1 Feb	OSC	Agree Scrutiny response to budget
17 Feb	Budget Cabinet	Agree revenue & capital budgets – recommend to Council
3 March	Budget Council	Council Budget

- 3.2 Members will be aware that the budget proposals presented to Cabinet on the 14 December contained only a proportion of the savings that the Council is required to find during 2011/12.
- 3.3 Cabinet on the 17 February will be presented with the full draft budget proposals, along with any submission that OSC resolves to make.
- 3.4 Draft minutes of the discussion at each of the Overview and Scrutiny Committees on the budget can be found as Appendices B - E to this report. It is recommended that all of the draft committee minutes are forwarded to Cabinet to inform their discussion.
- Appendix B – ASCHOSC minutes
 - Appendix C – ECSOSC minutes
 - Appendix D – CTEOSC minutes
 - Appendix E – CYPOSC minutes
- 3.5 Appendix F of the report is a submission from the CVSF. This has been produced following consultation with CVSF members as outlined in the appendix. OSC has the option to also forward this on to Cabinet.
- 3.6 The role of scrutiny in the financial process is to ensure that the budget is set in a transparent and accountable manner and that it supports Council priorities.

- 3.7 Whilst there exist a fairly unique set of circumstances that have set the context for the budget setting process this year it is apparent that the scrutiny element of the process has not been without difficulties. There continue to be concerns as to whether the amount of resources involved in the process are justified given the end results. It is therefore suggested that the budget scrutiny process is reviewed along with a more general review of how scrutiny will operate under intelligent commissioning.

4. CONSULTATION

- 4.1 The budget scrutiny process has involved members on all overview and scrutiny committees other than HOSC.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The financial implications to the budget proposals can be found in the appended reports from Cabinet.

Legal Implications:

- 5.2 The legal implications to the budget proposals can be found in the appended reports from Cabinet.

Equalities Implications:

- 5.3 There are no direct implications arising from this report, however major changes to service provision as a result of budget proposals should be subject to Equality Impact Assessment.

Sustainability Implications:

- 5.4 There are no direct implications arising from this report, however sustainability implications should be taken into account when developing budget proposals.

Crime & Disorder Implications:

- 5.5 There are no direct implications arising from this report, however crime and disorder implications should be considered when developing budget proposals.

Risk and Opportunity Management Implications:

- 5.6 There are no direct implications arising from this report, however risk and opportunity management should be central to budget considerations.

Corporate / Citywide Implications:

- 5.7 Robust scrutiny of the budget helps to improve final decision making. The corporate and citywide implications of the various budget proposals can be found in the appended reports.

SUPPORTING DOCUMENTATION

Appendices:

- Appendix A – Report to 9 December Cabinet meeting and 14 December OSC
- Appendix B – ASCHOSC draft minutes
- Appendix C – ECSOSC draft minutes
- Appendix D – CTEOSC draft minutes
- Appendix E – CYPOSC draft minutes
- Appendix F – CVSF submission on the council’s draft budget strategies

Documents In Members’ Rooms

None

Background Documents

None

OVERVIEW AND SCRUTINY COMMISSION

Agenda Item 60 Appendix A

Brighton & Hove City Council

Subject:	Budget Update & Budget Strategies 2011/12		
Date of Meeting:	Cabinet 9 December 2010 Overview and Scrutiny Commission 14 December 2010 OSC 1 February 2010		
Report of:	Director of Finance		
Contact Officer:	Name:	Mark Ireland	Tel: 29-1240
		James Hengeveld	29-1242
	E-mail:	mark.ireland@brighton-hove.gov.uk james.hengeveld@brighton-hove.gov.uk	
Key Decision:	Yes	Forward Plan No: CAB17749	
Wards Affected:	All		

FOR GENERAL RELEASE

SUMMARY AND POLICY CONTEXT

- 1.1 This report has been prepared at a time of significant uncertainty about the Council's funding position for 2011/12. While the Comprehensive Spending Review (CSR) gave indications about the national position for local government, it will not be until the Local Government Finance Settlement is announced that the Council will be able to move past speculation and onto more robust financial planning. If the Settlement is received before the 9th December then an addendum report will be issued to update Cabinet on the position as far as possible. The major changes expected to specific grants, of which the Council is currently in receipt of circa £85m, may mean that it is several weeks before the detailed position is clearly understood.
- 1.2 This report updates Cabinet on the progress made in planning for 2011/12 based on the assumptions set out in the July 2010 Cabinet report, which projected that savings of £10.4m would be needed in the mainstream budget and £10.8m in budgets funded by specific grants. Good progress has been made and if those assumptions had been broadly right then this report would have set out, in high level terms, the Cabinet's proposals to achieve a balanced General Fund Revenue Budget for 2011/12. The savings package set out in this report is £12.3m. This lower figure reflects detailed reviews of the service pressures bringing them down where possible, protection of the Supporting People budget and uncertainty about the future of various specific grants in particular grants for children's services. However, the scale of the reductions expected in Formula Grant, the front loading and the position in respect of specific grants is sufficiently different for a great deal more work to be required before a full set of proposals can be made by Cabinet. This report therefore represents work in progress and it is expected that revisions will be needed to these proposals as well as additional

ones made. However it was felt important to publish this work to date in order to be open about the issues under consideration and to enable Scrutiny to consider them as far as possible.

- 1.3 The Council was always clear that a great deal of specific grant funding was due to come to an end this year and has been planning accordingly. In most circumstances that funding supported one off initiatives. In a small number of cases that funding has supported activities that are potentially core business and the Council therefore has choices to make about whether it will provide replacement funding from its revenue budgets. The scale of the changes to specific grants and the removal of most ringfence mean that the Council has more choice and discretion in this area, albeit in a context of a significant overall reduction in resources.

2. RECOMMENDATIONS:

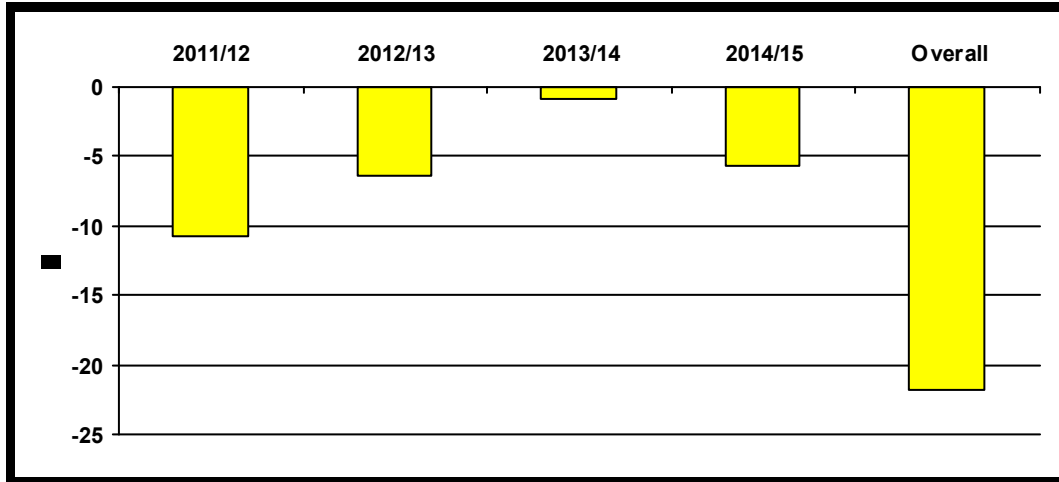
- 2.1 That Cabinet notes the high level assessment of the implications of the CSR on the national funding position for local government as set out in paras 3.1-3.6.
- 2.2 That Cabinet notes that an addendum to this report will be issued setting out the anticipated resources available to the Council if the Local Government Finance Settlement is issued prior to 9 December 2010.
- 2.3 That Cabinet considers and agrees the principles on which the General Fund Revenue Budget for 2011/12 is being prepared as set out in para 3.12.
- 2.4 That Cabinet considers and agrees the proposed approach for using reserves as part of a balanced financial strategy to deal with the Council's uniquely challenging financial position for 2011/12 as set out in para 3.17.
- 2.5 That Cabinet considers and notes the initial budget strategies for each service, developed on the basis of the original financial planning assumptions as set out in Appendix 2.
- 2.6 That Cabinet notes that those outline budget strategies will be subject to significant revision and update once the Council's resource position is more clearly understood.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS

Spending Review announced on 20 October 2010

- 3.1 The spending review set out the total amount of funding to be received by local authorities in England through the formula grant over the next 4 years. The chart below shows the planned reductions for each year in particular the unexpected front loading of reductions in 2011/12. The council is at the grant floor and will receive £109m in formula grant in 2010/11 and the equivalent of £130m after including the specific grants which will now be allocated as part of the formula grant as listed in appendix 1. The Local

Government Finance Settlement will set out how much formula grant the council will receive in 2011/12 and future years.



- 3.2 The spending review had limited detail of the future of a wide range of specific grants although it did say that the ring-fence around nearly all grants would be removed giving each council greater flexibility in the way it can spend its funding to achieve the best outcomes for local people.

Schools Funding

- 3.3 The spending review contained a commitment that schools funding at a national level will increase over the next 4 years at 0.1% per annum in real terms i.e. above assumed levels of inflation. The funding settlement for schools is usually announced just before the Local Government Finance Settlement and will set out what the spending review means for each Local Education Authority (LEA) along with details of what happens to the specific grants previously allocated for schools. Cabinet will be informed of these implications in the addendum report issued after the schools settlement is known. The government is also considering introducing a national funding formula so that funding allocations can be made directly to each school. This will have unknown distributional consequences for the total amount of schools funding for each LEA area.

New Homes Bonus

- 3.4 A recent consultation paper on the New Homes Bonus set out the way the government intends to pay this grant in 2011/12. Councils will receive amounts based on the increased number of homes between mid September 2009 and 2010 set out in a council tax base return made to the government. Brighton & Hove had an increase of 468 homes between these dates and therefore qualifies for just under £0.6m bonus out of the £196m set aside nationally. The bonus payment will be made for the next 6 years. The council may qualify for additional bonus payments in future years if the numbers of homes in the city continue to grow. The consultation paper states that £250m has been provided in the spending review nationally for bonus payments under the scheme for each year

2012/13 to 2014/15 with higher payments being top-sliced from the national formula grant.

Carbon Reduction Commitment (CRC)

- 3.5 The spending review also brought about major changes to the CRC scheme. The cost of purchasing allocations to cover the carbon output of the council will now have to be met in full. Previously the payments to the Treasury were going to be recycled as income depending on how successful each authority was in reducing its carbon footprint. There is some uncertainty in the guidance but initially the council will need to buy allowances to cover only the largest energy consuming sites. The cost of allowances is under discussion but the guideline of £12 per tonne in 2011/12 requires a budget of £0.1m for next year. In 2013/14 and beyond the council will need to buy allowances to cover most of its carbon footprint which could cost £0.4m per annum or more if the cost of allowances rises.

Council tax freeze grant

- 3.6 The budget report to Cabinet in July assumed that resources would be generated by a 2.5% increase in the Brighton & Hove City Council element of the council tax for 2011/12. The government has announced that councils who freeze their element of the council tax for next year will be entitled to receive a council tax freeze grant equivalent to the amount that would have been raised by a 2.5% increase. It is estimated that the grant for the City Council will be approximately £3m and will be received for each year of the spending review period.

Local Government Finance Settlement for 2011/12

- 3.7 The Local Government Finance Settlement is expected to be announced in early December and assuming this is before the Cabinet meeting an addendum report will be prepared for the meeting setting out the detailed implications for the finances of the council. The Settlement will set out the amount of formula grant the council will receive in 2011/12 and details of most if not all the specific grants. The capital finance settlement is usually announced later and may not be available in time for the meeting.

Budget Principles

- 3.8 At the heart of the Council's approach to transforming the way it conducts its business are three key strands of work: the Value for Money Programme, the Improving the Customer Experience (ICE) programme and the move to a model of Intelligent Commissioning. These are all crucial to creating "The Council the City Deserves". Regular updates on all of this work have been brought to Cabinet throughout the year. The VFM programme has always been a key element of the Council's medium term financial planning. The programme remains on track and savings anticipated for 2011/12 are at least in line with expectations, if not better.

- 3.9 Reports to Cabinet have been clear that the new model of Intelligent Commissioning was not necessarily expected to deliver savings for 2011/12, primarily due to the lead in time for re-commissioning services. It does however put the Council in a strong position to make well informed decisions for service redesign and reprioritisation during the next financial year which will particularly inform the 2012/13 budget setting process.
- 3.10 Cabinet in July set out cash limits for each service area based on the existing Directorate structures as the council's top level reorganisation was still in its consultation phase. Those structures were well understood by both officers and members and therefore provided the clearest basis on which to conduct the budget planning for 2011/12. The outline budget strategies prepared to date are therefore set out in this way.
- 3.11 However, the implications of CSR are now so great that the Council will simply not be in a position to meet them if it continues its financial planning in the same way that it has done to date. It therefore needs to shift its thinking quickly into the new intelligent commissioning model which should provide more cross-cutting proposals for reshaping services and a renewed focus on prioritising resources to deliver outcomes in the most effective way. This does create a challenge to analyse and present financial information in the new model while the organisation is still in transition with structures that are not fully settled. However if the Council is unable to react quickly in this way it may miss significant opportunities that could help the 2011/12 budget position and mean that momentum is lost in this time of change. The format for the final budget proposals that will come to Cabinet on 17 February 2011 for recommending to Budget Council on 3 March 2011 is still being considered, however it will be possible, at a high level, to analyse the information against both the "old" and the "new" organisational structure.
- 3.12 In this context of change, a set of budget principles has been developed which have informed both the work done to date against the allocated cash limits and will continue to influence the next stage of the budget planning process. These are:
1. To deliver efficiency savings to help protect front line services by:
 - delivering the planned VFM programme and identifying where future year's VFM savings can be "fast tracked", for example, vacating office accommodation earlier than originally planned.
 - identifying other efficiency savings including those arising from the new groupings of services in delivery units
 - looking to generate savings on staff related expenditure through natural turnover, not filling existing vacancies, reducing management costs, minimising the use of consultants and making sure we only use agency staff and overtime where there is a sound business case to do so
 - identifying where closer working with other public agencies means we can share costs
 - reviewing contracts with service providers identifying scope for renegotiation and controlling costs
 - removing any local contingencies or risk provisions (these will all be covered corporately)

- These efficiency savings will be tracked to ensure that they are rigorously and consistently implemented by rolling them into the VFM programme.
2. Where changes need to be made to front line services proposals will take into account:
- how we can innovate our service design and delivery mechanisms to ensure the outcomes we deliver are maintained
 - how those changes might impact on costs and services provided by other public agencies in the city (“Total Place”)
 - how we can protect as far as possible the contribution made by the community and voluntary sector

Latest Position 2010/11

- 3.13 The TBM Month 6 report received by Cabinet on the 11 November showed an overspend of £0.319m on council controlled budgets. Tight spending constraints are in place in order to reduce that overspend further and to deliver an underspend that will provide one off usable reserves to support the 2011/12 budget setting process.

Reserves position

- 3.14 The current estimate of the Council’s Usable Reserves is set out in Table 1.

Table 1 – Usable Reserves	£m
Balance at 31/3/11 reported to Cabinet in July 2010	0.9
TBM overspend funding no longer required	1.0
Collection Fund Deficit	-0.4
Planned net contributions in 2011/12	0.4
Balance available to support the 2011/12 Budget	1.9

- 3.15 In previous years usable reserves have been used for new initiatives and investment. The financial context this year means that this is unlikely to be appropriate. It is therefore planned at this stage to ringfence these usable reserves to be used as set out in para 3.17.
- 3.16 As a result of the front loading of the reductions in formula grant in 2011/12 the Council may need to consider as a one-off measure of last resort use of reserves which are currently earmarked as part of a well balanced financial strategy. It remains a legal requirement that the Council sets a balanced budget for 2011/12 and therefore it needs to consider carefully how it can make legitimate use of reserves in that context. It is also at the heart of the Council’s ongoing commitment to sound financial planning and management that it does not take short term decisions that could create greater difficulties for the future.
- 3.17 Any use of reserves will be undertaken only for the following issues:
- implementation funding (the costs associated with changing how services are provided and organised such as redundancy costs)

- transition funding (because we will be unable to implement all proposals from 1 April so resources will be needed for the lead in time)
- resources to incur direct expenditure that frees up revenue budget costs (e.g. paying down debt)

3.18 The detailed proposals will form part of the final Budget reports.

Fees & Charges

3.19 Fees and charges are assumed to increase by the standard inflation assumption of 2% each year. Details of fees and charges for 2011/12 will be presented to the relevant Cabinet Member Meetings (CMM) and onto Council where appropriate prior to Budget Council. Timetabled fees and charges are as follows:

Royal Pavilion and Museums	21 September 2010
Adult Social Care	18 October 2010
Environmental Health & licensing	18 November 2010
Libraries and Venues	7 December 2010
Environment	23 December 2010
CYPT	17 January 2011

Expenditure Projections Update

Service Pressures

Pension fund triennial review

3.20 The East Sussex County Council Pension Fund announced the outcome of the triennial review on the 19 November 2010. The valuation as at 31/3/10 for the whole fund is 87.3% (compared to 88.9% at the last valuation in 2007). This is likely to place the fund within the top quartile of all LA funds. There has been a significant improvement within the last 12 months when the fund was a little over 70% funded. The performance of equities, the lower than expected pay increases and the change in uprating of pensions from RPI to CPI have been major factors in improving the outlook.

3.21 Brighton & Hove's share of the fund is 91% funded, which is the same as the valuation 3 years ago and an increase in the level above the average share of the fund. The factors helping this outcome are a continued scrutiny of early retirement decisions, negligible use of discretionary powers under the regulations, funding transfers at the point of any outsourcing decisions rather than waiting for the next valuation and aligning decision making and accountability.

3.22 The Council currently contributes 17% of payroll; the actuaries to the fund require an increase of 1% over the next 3 years as follows:

2011/12	17.3%
2012/13	17.7%
2013/14	18.0%

- 3.23 The Medium Term Financial Strategy assumed an increase of 0.5% in 2011/12 equivalent to £0.65m to the General Fund; the reduced contribution rate will save approximately £0.21m.
- 3.24 The latest valuation does not take into account the recommendation of the interim Hutton Report to increase the employee pension contributions.

Concessionary Bus Fares

- 3.25 The government has consulted on changes to the way bus operators are compensated for loss of income and additional costs arising from the operation of the free concessionary fares scheme in England. The consultation finished on the 11 November and it is expected that changes will be introduced from 1 April 2011. The council is currently collecting relevant data to enable an estimate of the revised reimbursement payments to be made in time for the budget papers in February when the government should have confirmed the methodology that will need to be used by all English councils.

Main Service Pressures

- 3.26 The budget strategies included in appendix 2 incorporate service pressures and certain specific grant reductions of £9.76m above inflation that are being managed within the cash limits. The most significant pressures are included in the following table:

Table 2 – Main Service Pressures	£'m
Demographic growth in Adult Social Care clients (Physical disabilities, vulnerable older people, mental health and learning disabilities).	2.1
Increased Independent Foster Agency placements	1.6
Loss of LPSA reward grant funding core business (Env & S&G)	1.2
Reductions in Parking Penalty Charge Notices (PCN's)	0.7
Children's Residential Agency placements	0.5
Children's Area social work teams	0.5
Children's social services Legal costs	0.3

Savings

- 3.27 The proposals to date are based on the cash limits set by Cabinet in July 2010 and these are set out in the budget strategies.
- 3.28 A total savings package of £12.3m has been identified within the Budget Strategies, £4.9m through the VFM programme, £5.8m through efficiencies and other income and £1.6m through commissioning changes. Details of the savings proposals are shown in appendix 2. CYPT have over achieved their savings target by £1.26m in preparation for managing potential reductions in specific grants. There are over and under achievements of savings across the remaining service areas that virtually balance to the cash limits overall.
- 3.29 All service areas have been asked to show how further reductions in their net budget could be achieved, consistent with the principles set out in para 3.12. This

will provide members with further options to meet the revised funding gap after the Local Government Financial Settlement.

Staffing Implications

- 3.30 This paper provides the broad financial information required for the budget strategy and does not, at this time, attempt to set out the detailed staffing implications. It is planned to continue to discuss the strategy with colleagues across the organisation and their trades unions in order to fully develop our understanding of the likely impact for employees. This will then allow us to enter into meaningful formal consultation with the trades unions and staff.
- 3.31 In the meantime, we have taken the following action into to minimise the impact on continuing employment and avoid redundancies. That action includes:
- Controlling recruitment and only making permanent appointments in exceptional circumstances and when all other alternatives have been exhausted
 - Holding any vacancies available internally to increase the opportunities for re-deployment
 - Avoiding the use of interim or consultant appointments
 - Limiting the use of temporary or agency resources
- 3.32 These measures will continue as we work with trades unions and colleagues on the detailed staffing implications.

Capital Programme

- 3.33 The 2010/11 capital programme is approximately 60% funded by resources from the government with the remainder largely coming from council borrowing, capital receipts and revenue contributions. The Spending Review has set out reductions in government funding for all government capital investment programmes of about 45% over the next 4 years.
- 3.34 It is not known at this stage how these reductions will impact on the level of government resources available for the city council. The capital finance settlement is usually announced after the Local Government Finance Settlement shortly before Christmas. It is therefore unlikely to be available in time for this Cabinet meeting so details will be circulated separately as soon as the figures have been analysed. Reductions in funding had been anticipated so services have been planning future capital investment on the basis of significant reductions.

Housing Revenue Account

- 3.35 The latest HRA Budget projections as shown in appendix 2, 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.

- 3.36 The service has identified savings of £0.913 million, the equivalent of a 8.7% savings target which will be used to fund inflationary increases and service pressures. The HRA Budget projections assume a continuing increase in 'Negative Subsidy' resulting in the HRA paying an additional £0.170 million of resources to the government net of rental income increases and capital financing costs.

2011/12 Budget Timetable

- 3.37 The existing timetable means that scrutiny can review the proposals in this report plus any emerging themes at their December/January meetings. Proposals to meet the remaining budget gap will not be public until papers are despatched for 17 February Cabinet. Therefore an additional OSC meeting should be scheduled for around this time to review the proposals.

- 3.38 Timetable for the remaining budget papers.

Council Taxbase	Cabinet	20 Jan 2011
General Fund Revenue Budget and Council Tax	Cabinet	17 Feb 2011
Housing Revenue Account	HMCC	24 Jan 2011
	Cabinet	17 Feb 2011
Capital Resources and Capital Investment	Cabinet	17 Feb 2011
Budget Council		3 Mar 2011

4. CONSULTATION

- 4.1 The budget and council tax consultation process was agreed by the cross party Budget Review Group. For 2011/12 the consultation has involved a budget questionnaire to a random sample of residents across the city as well as a focus group with the Older Peoples Council. The results of this consultation are due in December 2010 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 March 2011 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: 25/11/10

Legal Implications:

- 5.2 Cabinet has the necessary authority to agree the recommendations set out in paragraph 2 of this report as part of their function of formulating budget proposals for subsequent consideration and adoption by Full Council.

Equalities Implications:

- 5.3 High level screening of the equalities impact of all the budget proposals has been undertaken by each service to determine whether there are likely to be equalities implications and to show whether they are covered by existing Equalities Impact Assessments (EIAs) or whether further action including new EIAs is required.

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 is considerable uncertainty about the council's resource position for 2011/12 and this will be reviewed following the Local Government Finance Settlement. The Council's final Budget proposals are required to include an assessment on the robustness of estimates and the adequacy of reserves. Relevant risk provisions in the 2011/12 budget will be considered as part of that final budget package presented in February 2011.

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 3 March. 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. Specific grants transferring to formula grant

2. Budget strategies and overall summary.

Documents in Members' Rooms

None

Background Documents

1. Files held within Strategic Finance and Financial Services sections.

Specific Grants transferring to Formula Grant in the 2011/12 Local Government Finance settlement.

Grant	2010/11
	£'000
ABG Grants	
Supporting People	11,249
Economic Assessment Duty	65
Carers Grant	1,240
Child & Adolescent Mental Health	466
LSC Staff Transfer	301
Services for Children in Care	213
Child Death Review	27
ASC Workforce	689
LINKS	147
Preserved rights	1,596
Mental Health	819
Learning Disability Development Fund	232
Mental Capacity Act	145
Other Grants	
Concessionary Bus Fares	1,804
Social Care Reform	1,167
National Stroke Strategy	93
Aids Support	455
Total	20,708

Summary of Cash Limited Budgets

	Housing £'000	Culture & Enterprise £'000	CYPT £'000	Environment £'000	Finance & Resources £'000	Strategy & Governance £'000	Adult Social Care, LD & S75 £'000	General Fund Total £'000
2010/11 adjusted base budget	4,547	11,214	47,482	37,029	18,777	11,869	71,631	202,549
Inflation	25	119	727	452	183	124	1,143	2,773
Service Pressures	337	376	3,466	1,762	920	630	2,265	9,756
VFM programme savings			-2,019	-225	-1,107		-1,551	-4,902
Commissioning changes savings	-365	-111	-1,631					-1,631
Efficiency savings and additional income			-486	-2,065	-775	-582	-1,402	-5,786
2011/12 Budget Strategy	4,544	11,598	47,539	36,953	17,998	12,041	72,086	202,759
2011/12 Cash Limit	4,544	11,333	48,798	36,980	18,531	11,751	72,086	204,023
Surplus/ (-Shortfall)	0	-265	1,259	27	533	-290	0	1,264

HOUSING STRATEGY 2011/12 BUDGET PROPOSALS

Strategic Context and Direction of Travel

The citywide Housing Strategy has three overall priorities that reflect the basic housing needs of the city: improving housing supply; improving housing quality and improving housing support.

Successful action in the city over the last few years to enable the development of new affordable housing, prevent homelessness, develop housing options, provide housing-related support and improve housing quality in the private sector have helped to secure Brighton & Hove City Council as a lead authority, widely respected in working to address the needs of local people and the sub-region.

Strategic response to this context

The cash limit increase for Housing Strategy in 2011/12 is -0.1%. Grant reductions of 0.3% at national level for Supporting People Welfare Grant equate to £337,000 for Brighton & Hove. The Supporting People Programme has been successful in providing preventative support services to help vulnerable people live as independently as possible and deliver positive outcomes. In June 2010, CLG announced the in-year grant reduction of the Supporting People Administration Grant (£164,000) that covers the cost of administering the programme, which includes staffing and associated overhead costs. This grant loss has been absorbed across the Housing Strategy Division and there is no anticipated reduction in any current funding levels for any of our existing Supporting People services.

A Cost Benefit Analysis (based on a national model) of the Supporting People Programme in Brighton and Hove indicated that for every £1.00 spend in the city on Supporting People services, an average saving of £3.24 is achieved across other services and budgets. City-wide, Supporting People services generates a £36,600,000 net saving for the city for a spend of £11,200,000. The methodology is based on projected costs of alternative, appropriate support (such as housing and homelessness costs, costs related to crime and anti-social behaviour and costs to other statutory social care provision) if Supporting People services were not available.

Financial and Service pressures

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

Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy	2011/12 £'000
None – all managed within base budget	0
TOTAL	0

Table 2 - Service Pressures as a result of expected grant funding ending or reductions (dealt with as part of the budget strategy)	2011/12 £'000
Assumed 3% reduction in Supporting People Grant	337
TOTAL	337

Proposals for 2011/12 Budget: Main Service Areas

The following proposals will enable us to continue to commission and provide homelessness and housing-related support services that meet our strategic priorities as part of our Housing Strategy:

To renegotiate unit costs of temporary accommodation with providers that will enable us to continue to drive down the costs of these services.

To work with providers to identify efficiency savings and economies of scale through competitive tendering exercise in order to deliver positive outcomes within a reduced budget.

To re-commission and jointly commission services to enhance outcomes and deliver improved Value For Money.

It is proposed to:

- Offer longer term contracts (up to 5 years) to enable providers to deliver ongoing efficiency savings and Value For Money for the duration of contracts
- Jointly commission services to achieved higher levels of efficiency savings across different budgets and achieve economies of scale
- Renegotiate unit costs with providers to achieve improved Value For Money through regional benchmarking
- Re-commission services by undertaking a competitive tendering exercise with the aim of reducing the current number of providers to reduce administration costs in reviewing and monitoring Supporting People contracts

Key Impact & Risks:

Government changes to Local Housing Allowances (LHAs) and other welfare benefits may have an impact on housing affordability for residents on low incomes and benefit dependent in private rented sector accommodation. The likelihood and scale of impact is difficult to predict as private sector rents may adjust to compensate for changes to LHAs. Government has also indicated that any impact may be mitigated by specific homelessness grant provision. The position will be kept under review and will be closely monitored with alternative strategies and in-year recovery measures developed if necessary.

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	Adjusted Base Budget 2010/11	Inflation	Service Pressures & reinvestment	VFM Programme Savings	Savings from Commissioning Changes	Efficiency Savings and Income above Inflation	Net Change in Budget to 2011/12
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing Strategy	4,547	25	337	0	0	(365)	(3)
TOTAL	4,547	25	337	0	0	(365)	(3)

CULTURE & ENTERPRISE 2011/12 BUDGET PROPOSALS

Strategic Context and Direction of Travel

Brighton & Hove has a unique offer for residents, visitors and businesses. The combination of a great seafront, beautiful countryside, a diverse and beautiful built environment, a cultural offer amazing in its diversity and a population that loves and appreciates the City offers unparalleled opportunities. Capitalising on this, and at the same time ensuring that the City can be a safe and enjoyable place for all, is the focus of this strategy.

Strategic response to this context

The overall cash limit increase for these services in 2011/12 is £119,000 equivalent to the inflation assumption. Expected grant reductions are assessed at £376,000 on the assumptions within the budget strategy.

Services are funded by a combination of income generation, grants, external and partnership funding and core Council budgets. This funding mix means that all services will be:

- focussed on outcomes and what works for people, not a dogmatic approach that drives one particular way of delivering;
- as efficient as possible at all times and deliver clear value for money;
- willing to take calculated risks and change to drive out waste;
- open to partnership whenever that delivers better services for less money;

All services will drive basic “housekeeping” issues, with a renewed emphasis on eliminating unnecessary spend, such as agency costs, overtime and any unusually sickness levels.

Financial and Service pressures

Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy	2011/12 £'000
None - Managed within base budget	0

Table 2 – Further Service Pressures as a result of expected grant funding ending or reductions	2011/12 £'000
Assumed 10% reduction in Renaissance Grant	111
Loss of DWP grant for Castleham Supported Employment service	265
TOTAL	376

Proposals for Main Service Areas

Tourism & Venues

The approach to the 2011/12 budget is to manage within budget through a combination of increasing income from the Brighton Centre and making savings through a staffing review and vacancy management.

- The merger of various teams will be explored
- There will be a further emphasis on securing the most appropriate business model for the future of the Brighton Centre

Royal Pavilion & Museums

The approach to the 2011/12 budget setting process is to minimise detrimental impact on the service's ability to deliver council priorities, plan for a reduction in the Renaissance programme and achieve income targets across the service.

Income has held up this year, partly as a result of increase in visitor admissions at the Royal Pavilion of 13% to date on last year's figures and also due to the reductions in targets as part of the budget setting strategy for 2010-11. A prudent approach to possible income will be taken until the visitor economy stabilises further.

Any reduction in the Renaissance grant will have an impact on the service's ability to provide additionality in its cultural offer, however this can be managed without impacting on the operation of the Royal Pavilion and Museums service.

Libraries & Information Services

The approach to the 2011/12 budget is to manage the service pressures within budget through increasing income. In response to the pressures, it is proposed to increase fees and charges in certain areas (subject to a Cabinet Member Meeting report in December) and to drive the retail offer in response to particular markets. A further analysis of retail success will be undertaken after the Christmas period to inform the strategy. The introduction of new downloading services will provide an opportunity to boost hire charge income.

Culture & Economy

The impact of external funding streams coming to an end and the decrease in availability of external funding and sponsorship will have a significant impact in these service areas. Various options are being explored to manage the funding gap associated with the Castleham Supported Employment Services. The functions and purpose of the European team is being reviewed to ensure that the council is in a strong position to draw down available funding where it meets key priorities and where there can be a carefully managed exit strategy. LABGI funding provided one-off resources to a range of business related activities and no replacement funding for this has yet been identified.

Key Risks

The services have the potential to deliver a vibrant, forward thinking set of opportunities to ensure the on-going success of the City. The variables that affect such services and initiatives for example visitor numbers and external sources of funding all pose challenges that will need careful monitoring and management.

2011/12 Budget proposals summary:

	Adjusted Base Budget 2010/11	Inflation	Service Pressures & reinvestment	VFM Programme Savings	Savings from Commissioning Changes	Efficiency Savings and Income above Inflation	Net Change in Budget to 2011/12
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tourism & Venues	1,598	7	0	0	0	0	7
Royal Pavilion & Museums	2,422	10	111	0	0	(111)	10
Libraries & Information Services	4,153	56	0	0	0	0	56
Culture & Economy	2,667	42	265	0	0	0	307
Major Projects & Regeneration	374	4	0		0	0	4
TOTAL	11,214	119	376	0	0	(111)	384

CYPT DIRECTORATE 2011/12 BUDGET PROPOSALS

Strategic Context and Direction of Travel

Significant progress has been made in terms of reducing the overspend in Children's Services in 2010/11 including successfully meeting VFM savings targets. We have continually made savings in Dedicated Schools Grant (DSG) enabling us to invest in new service areas and fund new pressures. We have had particular success with reducing our SEN out of city placements achieving significant savings. There does, however, continue to be substantial pressures across Children's Social Care:

- Independent Foster Agency (IFAs)
- Legal Fees
- Agency Placements
- Area Social Work Services

The VFM programme has already produced substantial savings in the area of children's social care. The pressures shown above reflect the national experience of a sustained increase in social care activity and especially child protection. We are now preparing to implement changes that will come from new government education legislation and guidance, the Health White Paper, the Munro Review of social care and implementation of the Social Work Reform Board Changes, as well as the expected impact of the Comprehensive Sending review especially reduction in grant funding. In addition the Southwark Judgement is a High Court judgement which places a new duty on local authorities to accommodate under Section 20, young people who are homeless and vulnerable, which may impact on financial modelling.

From a total gross budget of £242.2m, the CYPT is reliant on grants from central government of around £46.22m (excluding DSG).

Strategic Response to this Context is:

The overall cash limit increase for the directorate in 2011/12 is £1,316,000, £589,000 above the inflation allowance. Service pressures have been identified of £3,466,000 excluding grant reductions. Savings of £4,136,000 have been identified. The main elements to the budget strategy include:

- Continuing to secure efficiency savings across all services
- Achieving our VFM targets including new rigorous scrutiny of approval of social care placements.
- Recommissioning services to deliver our statutory responsibilities whilst making necessary savings.
- Rigorous scrutiny and approach to recruitment and use of agency staff.
- Reviewing use of accommodation to achieve significant savings through lease and sale of property.
- In general ceasing activity funded by grants no longer provided unless it is a statutory service.

Financial and Service Pressures

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

Table 1 – unavoidable service pressures which are dealt with as part of this budget strategy	2011/12 £'000
Corporate Critical	
Disability Agency Placements	414
Independent Foster Agency (IFA) placements	1,631
Residential Agency Placements	493
Corporate Critical Total	2,538
Departmental Critical	
Area Social Work Teams	474
Legal Costs	340
Departmental Critical Total	814
Other Budgets	
Independent Reviewing Officers	114
Other Budgets Total	114
BHCC CYPT Sub Total	3,466
Community Health Budgets	0
Brighton & Hove Teaching PCT	0
CYPT Total Budget Pressures	3,466

The scale of specific grant funding for CYPT and the uncertainty about how it will operate in future mean that calculating anticipated reductions is highly speculative. A great deal of specific grant funding was always due to end at the end of 2010/11 and this has been planned for with careful exit strategies. Some grant funding will transfer to the new DSG and it will be up to schools to prioritise how it is spent. This means that the Council may need to make considerable changes to the central services offered to schools and there will need to be some detailed negotiation about the nature of services that schools are prepared to buy back from the Council. A review of where specific grants are funding core or statutory services is being undertaken to ensure that alternative appropriate replacements for these are made if reduced.

Proposals for Main Service Areas

Area Integrated Working

Education Welfare Service – it is proposed to reduce the service by 50% (£170,000) of the present budget. The service will be realigned to focus more on prevention and early intervention with families having difficulty around attendance

and school issues. It will also be more aligned with the social work service and, bring synergies to interventions by doing this.

Educational Psychology (EP) –it is proposed to reduce the service by 20% (£200,000) in the area EP budget (£989,000) – this will be achieved by restructuring of the service and the reduction of EP posts to bring it more in line with the national benchmarking of the number of EPs within BHCC.

Fostering and Adoption Service –Brighton & Hove’s spend on this service is both higher than the national benchmark and significantly higher than that of our statistical neighbours. It is proposed, to redesign this service with a view to reducing its costs by £362,000 of the total resource presently committed to it. It is a substantial budget area and these savings are a result of more effective and efficient use of present resources. Further, we will be looking to improve further the understanding of thresholds across the City so that fewer referrals come through that require a formal assessment

The abolishment of the Youth Justice Board (YJB) and other national changes and revised accountabilities in this area mean that we can reduce expenditure on Youth Offending Services by £91,000. We will look to securing better joint working across the council as part of the move to intelligent commissioning and also improve links with external bodies promoting employment for young people.

Youth Service – Youth provision across the City is extensive with a significant element of community provision. We are undertaking a youth service review to ensure there is coverage across the City both geographically but also across the age range. At present, the budget for the elements of the youth service provided through the CYPT consists of significant amounts of grant funding, and roughly equal amounts of core funding (£956,000) from the Council. We would propose that through service redesign and intelligent commissioning we can reduce the core commitment to this area by £130,000 whilst developing community provision. This would be achieved through reducing the number of Council run centres and having a strong focus on securing effective neighbourhood provision through a range of high quality providers.

Nursery Provision – a review of subsidies to nursery provision across the City is expected to save £87,000.

Learning, Schools and Skills

Schools Forum and DSG

We anticipate Brighton and Hove schools will receive additional funding from the pupil premium. Once we are clear what functions are affected by these transfers, we will look to agree targets for winning back money through the services we offer to schools.

Home to School Transport

A 7% saving on the home to school transport budget is being proposed which is equivalent to £200,000 on a net budget of £3,055,000. The service has worked hard to achieve substantial (10%) savings in 2010/11. The additional 7% saving will be achieved by continuing to strictly apply criteria for allocation of school

transport for children and young people with SEN as well as ensuring children in special school where possible attend their most local special school. We will continue to develop approaches to independent travel with young people and schools. Work will continue to review contract terms on retendering home to school transport contracts and looking at appropriate use of in house vehicles and cost effective routes.

Learning Development Centre

The LDC has an excellent reputation and is a high quality training venue available to the City which we would like to sustain and continue to promote. Over the last two years work has been taking place to make the venue even more efficient and reduce any additional costs or subsidy required. We propose that in 2011/12 we will remove the remaining budget contribution of £64,000. This will mean that the LDC has to generate 100% of its income as a venue to provide training for the City and by accommodating council staff on site. The expectation will be that the council use this venue as one of its preferred providers and we move more council staff into the building increasing the amount of office space used, over time driving down the costs to other services of renting this space.

Music Service

The service is funded from central government grants, fees and charges from parents and a council contribution of £271,000. We are unusual in that the Council subsidises what is already a significant level of grant from central government. We are proposing that we reduce the council subsidy to this service by 30% which amounts to £82,000. We have an outstanding music service in the City which we would like to continue to provide for all our children and young people. This will require the service to review the way in which it provides its services, work more efficiently, and increase its income generation through a review of its fees and charges. We can be clearer about the precise nature of our proposals when the revised grant regime is announced. Cost reductions have been discussed with the head of service and are achievable.

Disability Service

The integrated disability service is currently going through a process of re commissioning. It is proposed that this exercise will look to achieve a 9% saving over 2 years. This equates to £126,000 in 2011/12. This will involve reviewing management and back office arrangements, reviewing contracts and looking differently at the way in which services are delivered in order to ensure we meet our statutory requirements and continue to deliver quality services to our disabled children.

School Improvement Services

The service has been successful in driving forward education standards across the City with a strong partnership between the LA team and the schools. To build on this success we are in the process of reviewing the way the LA delivers, provides and commissions school improvement services. Part of this process involves identifying our current needs across the city and working with schools to agree priorities and targets for improvement. We are also awaiting government guidance regarding the LAs future role and the priorities regarding this important

area of work. We are, however, expecting to need to make a 25% (£70,000) saving in the staffing budget (£270,000) of this service. This is in addition to the ABG savings already made which will achieve a saving of £374,000 in 2011/12. In order to achieve this we are working closely with our schools to look at effective ways of schools supporting schools and increasing their role in delivery of school improvement, with the LA providing support and challenge and leading the commissioning of services as required. This work will also require looking at services we deliver to schools and reviewing charges where appropriate. It would be our intention to work with headteachers and governors to further redesign this service so that it is fit for the future grant regime.

Ethnic Minority Achievement Service (EMAS)

This is a service that provides additional support for children who have English as an additional language (EAL) to help them access the curriculum and raise achievement. The service is funded via a grant (Ethnic Minority Achievement Grant - EMAG) which goes directly to schools from central government. In Brighton and Hove this funding is returned to the LA to fund EMAS as part of an SLA. In addition to the grant the council has historically provided an additional budget of £165,000 to this service. We are proposing that in 2011/12 we will reduce the additional funding provided in its entirety. This will be achieved by completing a review of the service. This review will look at new models of service delivery and involving schools in agreeing a more effective way of them owning, managing and delivering this service without such extensive input and management by the LA, whilst ensuring we continue to meet the needs of our children who have EAL across the City. The review will be underpinned by best practice from other authorities, any new government guidance that is provided and a local needs analysis regarding children with EAL in Brighton and Hove.

City wide attendance strategy support

As part of the review taking place in the Education Welfare Service located in the Integrated Area Working branch, 25% (£25,000) of a net budget of £100,000 will also be saved from the service that provides city wide strategy, commissioning and quality assurance regarding school attendance. This will require a review of both areas of service in the two branches and include a service redesign that ensures we continue to meet our statutory duties in this area but deliver a more efficient and effective service based on current need. This will involve consultation with schools to look at their role in delivering on school attendance and will take account of any new information or guidance we receive from the government.

School Workforce Development and Governor Support

We propose to make an overall saving of £44,000 across these areas of service delivery. This will require reorganisation of the schools training and development and governor support service. It will also require looking at funding some of these current areas of school support by using the Dedicated Schools Grant. In addition we are proposing charging Headteachers for their conference costs.

Special Educational Needs (SEN)

There are proposals around reducing staffing costs in the SEN statutory assessment service by £46,000. This will be achieved through vacancy control and looking to use SEN DSG funding to fund functions/roles that meet this criteria.

Other Savings

Responsibility for support for students is transferring to the student loans company on 1st April 2011 resulting in savings of £42,000.

An efficiency saving of £105,000 is proposed staffing, legal and consultancy costs. Some staff will be relocated from their current accommodation on Preston Road to the LDC. The proposed sale of the vacated property will result in a capital receipt-the saving resulting from this is not included in this strategy.

Strategic Commissioning and Governance

The Council and the PCT are negotiating the process for further transformational programmes, including the review of specific commissioned services, through the 2011/12 NHS Annual Operating Plan and the Section 75 Joint Commissioning Plan for children's services.

Value for Money Programme in CYPT

A Value for Money programme has been developed to secure a complex transformational approach to service improvement and efficiency across children's social care in the first instance. The programme is for 4 years from 2010-2014. The savings target for 2011/12 is £2,019,000 with a total savings target over the 4 years for £8,040,000. The focus is on prevention and strengthening processes to reduce the number of cases needing high cost or long-term social care interventions. There are 2 workstreams – Prevention and Process.

Prevention activities:

- The Common Assessment Framework (CAF) activities will be improved to reduce the referrals on the social care pathway. The CAF is a standardised approach to assessing children and young people's additional needs and deciding how these should be met.
- A consistent approach to identify children and young people's levels of need has been designed with our partners to reduce the number of inappropriate referrals into social work and child protection services.
- A new menu of service intervention options will be created so that all staff understand what services are available and their associated costs.

The savings target for 2011/12 associated with prevention activities is £991,000.

Strengthening processes:

- New processes to ensure the rigorous scrutiny of approval of social care placements are in place to identify the most appropriate care package for children and young people with complex needs.
- Early planning will be strengthened to improve the quality and timely completion of pre-birth assessments.

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- A more flexible review process will be put in place to make sure that the care packages we provide are the most effective and the best value for money.

The savings target for 2011/12 associated with process activities is £1,028,000.

As part of both workstreams above, changes in commissioning arrangements/service redesign will be identified and implemented.

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 VFM savings on the corporate critical budgets will require very close performance management, governance and cross agency working to ensure safeguarding responsibilities are fulfilled. Implementing recommendations from the Munro review may lead to significant changes that require a further review of resources.

A significant risk is that a number of our core services are funded by specific grants and if they cease this will create further budget pressures in addition to the proposed savings in core budgets.

Reductions in support for school improvement and other school support will lead to greater pressure on schools to deliver in areas that in the past the LA would deliver on.

The impact of the ceasing of grants, re-commissioning and VFM on the community and voluntary sector will need to be closely monitored.

Making significant savings across a number of areas of children, schools and family services will lead to some children and families receiving reduced support in more than one area.

2011/12 Budget proposals summary:

Main Service Area	Adjusted Base Budget 2010/11	Inflation	Service Pressures & reinvestment	VFM Programme Savings	Savings from Commissioning Changes	Efficiency Savings and Income above Inflation	Net Change in Budget to 2011/12
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Main Service Area							
Area Integrated Working	23,074	301	814	0	-1,140	0	-25
Learning, Schools and Skills	10,439	170	414	0	-491	-486	-393
Strategic Commissioning and Governance	13,969	256	2,238	-2,019	0	0	475
BHCC CYPT Total	47,482	727	3,466	-2,019	-1,631	-486	57

This represents an overachievement of savings of £1,259,000 that will be used to off set any reduction in specific grant funding.

ENVIRONMENT DIRECTORATE 2011/12 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 and accessible 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 parking enforcement and the provision of waste and cleansing services.

Strategic Response to this Context is:

The adjusted base budget for 2010/11 was £37,029,000, to which corporate inflation of £452,000 would be added to give a revised budget for 2011/12 of £37,481,000. However, the overall cash limit adjustment for the directorate is a reduction of just over £500,000 leaving a new year budget of £36,980,000. The Directorate needs to address both the cash limit adjustment and other service pressures. Community Safety grants totalling £800,000 will stop altogether. In addition, there are unavoidable service pressures totalling £960,000, which means that savings of £2,260,000 are required to balance the budget.

The Environment savings and additional income (£1,600,000) identified last year as part of the budget setting process came largely from two major sources: further changes to the Cityclean waste collection rounds and increases in Parking charges. Further savings and income from these two sources not proposed in this budget strategy. In addition, we have some key service pressures including the loss of grant income for Community Safety and a reduction in income from parking tickets. The proposals set out here include: re-negotiating contracts (such as parking enforcement); reducing the use of consultants across the board; investing in under-used car parks to secure greater income and efficiencies in expenditure on staffing.

Financial and Service Pressures

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

Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy	2011-12 £'000
Reduction in the level of building control income/planning grants	219
Reduction in the level of PCN income	550
No inflationary increase for Penalty notices	111
TOTAL	880

Table 2 – Further Service pressures as a result of expected grant funding ending or reductions	2011-12 £'000
Loss of Area Based Grant Funding	282
Loss of LPSA funding	520
TOTAL	802

Approach to Savings in 2011/12:

Community Safety

The Community Safety Partnership as a whole is undergoing a complete review of its processes in order to identify the priorities for funding in the light of reduced resources. In the meantime, current evaluations have identified savings of £347,000 towards the shortfall in funding. These savings include efficiencies from the restructuring of community safety activities, merging some of the teams and reducing employee related expenditure. Some of the savings will be achieved through ensuring service delivery is carefully prioritised by the Partnership and changing how services are delivered.

City Services

City Clean has recently been through a substantial reorganisation of the refuse and recycling service resulting in £1,700,000 savings per annum and there are limited opportunities for savings within the current operational structures. However, small efficiency savings have been identified totalling £128,000. City Parks budgets have been reviewed to identify savings which the least impact on the image of the city and its parks, achieving savings of £25,000.

The release of the South Downs Joint Committee contribution of £90,000 following the establishment of the national park has been included but this has been offset by the investment of £80,000 needed for the Biosphere Reserve project officer, costs of converting tractors and mowers to higher duty diesel and other low level pressures within this service area.

Parking Services

Contract efficiencies, a reduction in staffing levels and improved enforcement will achieve savings of £90,000.

The increased patronage experienced during 2010-11 at the refurbished Lanes and London Road car parks is expected to continue into 2011-12, achieving additional income of £380,000. Further proposed capital investment in the ex leased car parks, (£3,500,000 will be required), particularly Regency Square and Trafalgar Street is expected to yield additional income of £57,000. Other options for savings in the car parks include maintaining the equipment in house, and allowing advertising in council car parks, achieving an additional £40,000.

It is not proposed to increase on street parking tariffs other than an overall inflationary increase.

Efficiencies in the cash collection contract will achieve savings of £15,000; while a further £50,000 can be saved by bring the machine data maintenance back in house.

A further £64,000 in savings can be realised by reviewing the use of permits, charging for Car Club bays and ensuring consistency of operation.

These savings will help to offset the £550,000 pressure on PCN income due to the reduction in the number of tickets being issued.

Other Sustainable Transport

Within other areas of Sustainable Transport, efficiencies have been identified by reducing staffing costs and consultants' fees. This follows the reduction in available budget for capital projects, and is net of any income targets.

Value for Money savings of £115,000 will be generated by reducing the number of posts in Environment Initiatives, Traffic & Transport, Road Safety and Transport Planning. There will be further Value for Money savings through a variation of certain bus routes, with no risks attached, of £50,000. Through more accurate charging of officer time to events in the city £25,000 in Value for Money savings will be achieved.

Efficiency savings of £123,000 will be generated by reducing the number of posts in Highways Engineering & Projects, Road Safety and Parking Strategy, due to the reduced level of work available for capital projects. The Highway Enforcement Team will achieve an additional £21,000 income by reviewing the fees and charges.

City Planning

A range of measures across City Planning are designed to help offset the pressures of £219,000 due to the loss of the Planning Delivery Grant during 2010/11 and the shortfall in building control income. These should achieve savings of £303,000. For 2011/12 the proposals are to reduce employee related expenditure including on consultants in Development Control, Planning Strategy, and Building Control saving £237,000. Fees will be charged for pre-application planning advice, achieving £20,000 in income. The proposed service changes include a significant reduction in the funding available to support Examinations in Public for plan preparation, achieving £46,000 in savings. The planning service still needs to allow for major development applications going to appeal and the various plans currently in preparation proceeding to examination. Uncertainty around the requirements of emerging legislation for evidence gathering, plan making and examination in the future, mean that it is difficult to accurately predict budgetary requirements.

Public Protection

A review of Public Protection will contribute a further £110,000 in savings including from reductions in staffing costs, more cost effective vehicles procurement, some additional income generation and othe minor efficiency savings.

Sport & Leisure

Savings have been identified within the Sport & Leisure budgets totalling £150,000. Efficiencies in expenditure budgets, including contract variations,

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private contractors and professional fees will deliver £120,000 of this. There will be further reviews of rents for individual seafront properties, ensuring that we retain fair and reasonable rents. This is expected to generate additional income of £30,000. The DC Leisure contract is currently being re-tendered, and this will be in operation for the next 10 years. It was originally feared that this would cause a pressure for this service area, due to increased utility costs and loss of income when Brighton and Hove Albion withdraw from Withdean Stadium. However, early indications are that this is unlikely to be the case, and that this new contract may deliver substantial savings which are not yet factored into this budget strategy.

Key Risks:

- Community Safety – the risks around re-prioritisation of work will be evaluated by the Partnership as a whole.
- Sustainable Transport – the measures proposed are of low risk to the council but some may impact events organisers.
- City Planning – Examinations in Public. The risk in reducing the funding available to support plan preparation can only be fully assessed once new legislation is published.

2011/12 Budget proposals summary:

Main Service Area	Adjusted Base Budget 2010/11	Inflation	Service Pressures & reinvestment	VFM Programme Savings	Savings from Commissioning Changes	Efficiency Savings and Income above Inflation	Net Change in Budget to 2011/12
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Director	230	2					2
Parking Services	(13,280)	(279)	661	(25)		(751)	(394)
Other Sustainable Transport	11,638	194		(190)		(171)	(167)
Development Planning	2,729	13	219			(303)	(71)
Other Planning/Public Protection	2,672	23				(110)	(87)
Community Safety	1,187	11	802			(347)	466
Sport & Leisure	1,936	17		(10)		(140)	(133)
City Services	29,917	471	80			(243)	308
TOTAL	37,029	452	1,762	(225)		(2,065)	(76)

FINANCE & RESOURCES DIRECTORATE 2011/12 BUDGET PROPOSALS

Strategic Context and Direction of Travel

Finance & Resources has a pivotal role in supporting the ongoing transformation of the council. It is essential that the directorate both delivers cost effective services, and retains the skills and capacity to help generate wider savings and service improvements across the council as we adjust to reduced levels of government funding. In an environment where the council will have to work with reduced resources, it is essential that we provide responsive, cost effective customer service to our citizens.

Delivery of the Value for Money programme and Improving the Customer Experience (ICE) is therefore at the heart of the proposals.

Strategic Response in this Context:-

Finance & Resources have exceeded the savings target required to meet their cash limit. While some of the savings are direct cost reductions for Finance & Resources, other action by the directorate will result in savings elsewhere in the organisation. Investment of one off resources in 2010/11 to support the delivery of these substantial recurrent savings has generated an excellent payback and this model is being continued in this year's proposals.

The savings include those identified in the Value for Money Programme High Level Business Case in respect of ICT, Workstyles and Procurement.

Greater collaborative working is critical to the strategy for Finance & Resources. This can be seen both in provision of Chief Finance Officer, Financial Services, Payroll and Internal Audit services to the South Downs National Park Authority and in the joint working on ICT across the south east region through the SE7 initiative.

A continued focus is being made on ensuring effective and fair debt collection. We have had great success in encouraging council taxpayers to pay by direct debit (now up to 70%) and this has reduced the numbers of summonses we issue by 35% and means that our collection rate can be increased when we set the Council Tax Base in January. While these savings fall to the Collection Fund, it has been a critical part of the strategy of the Revenues & Benefits service to ensure this can be delivered for the overall financial benefit it brings to the Council's budget.

Energy costs are a significant element of spend both within the Directorate and across the council. Action taken to ensure we get the best price on contracts through the "Laser" procurement approach agreed by Cabinet in September 2010 will deliver savings. In addition the introduction of Automatic Meter Readings (AMRs) will help us understand and manage our use of energy more effectively in order to reduce our carbon footprint as part of the 10:10 campaign and meet our

longer term Carbon Reduction Commitment obligations. This work is supplemented by the use of one of resources from the Council’s Carbon Management Fund to invest in actions to generate energy savings which are then recycled to create an ongoing programme of energy efficiency initiatives.

The Directorate has led ICE and supported it financially through the funding of two project managers, covering the overarching programme and the introduction of the new Customer Service Centre, which will open at Barts in Summer 2012. This will continue in 2011/12 through the use of one-off resources. Work on “systems thinking” continues to be crucial to improving the customer experience and helps join together the ICE and VFM initiatives, particularly in Revenues and Benefits.

Financial and Service Pressures

The main financial pressures on the Directorate’s services over the next year are shown in table 1 below:

Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy	2011/12 £’000
Shortfall in commercial rental income due to increase in voids and rent/lease renewals failing to achieve inflationary increases	200
Increased NNDR charges following 2010 revaluation. No information as yet on likely uplift or level of transitional support if any.	100
Demographic pressures on the Coroner’s Service	100
TOTAL	400

Table 2 - Service Pressures as a result of grant funding coming to an end (dealt with as part of budget strategy)	2011/12 £’000
10% Reduction in Housing Benefits Administration Grant	300
TOTAL Service Pressures resulting from changes in grant	300

Approaches to savings 2011/12

Value for Money

The VFM programme’s high level business case identified savings from cross organisational ICT spend, procurement and workstyles and all the projects are on track to deliver the planned levels of savings. For ICT the savings are driven by tighter governance of spend and rationalisation of systems alongside joint working with procurement to deliver significant savings on contracts through our new model of procurement category management. The ICT savings are also being facilitated by collaborative work with other local authorities across the south

east through the “SE7” partnership. The key saving from the workstyles project for 2011/12 is the part year effect of the exit from the lease for Priory House in the final quarter of the year which Cabinet agreed in January 2010. The savings become more significant from 2012/13.

The procurement savings of £1,107,000 already achieved or anticipated include:

- ICT desktops and cabling contracts
- Fleet management
- Corporate stationery contract (lead for Sussex consortium)
- modern records contract
- advertising and sponsorship income contract
- advertising and marketing (lead for consortium with Sussex Police, ESCC and East Sussex Fire and Rescue Service)
- corporate building and boiler maintenance, legionella and window cleaning contracts
- leisure management
- home to school transport

Where appropriate these savings are shown in other directorate budget strategies. In addition even where contracts are not being retendered the council is trying to renegotiate inflationary increases or cost reductions across the board.

In addition other VFM activity has been progressed through the use of “systems thinking” in Housing Benefits and in Finance, with accompanying restructures and staff savings. Some savings from this were built into the 2010/11 budget but further savings can be delivered for 2011/12. The saving from Finance is £55,000, net of the additional costs required to implement the new International Financial Reporting Standards and to enhance the support to our e-procurement system. The saving from Housing Benefits is assumed to be £300,000 which should offset the grant reduction however if the grant loss is lower or higher this will have an impact on the Directorate’s net budget position. It has also been assumed that there will be no ongoing windfall income from the Housing Benefit Subsidy Overpayment regimes.

Other efficiency savings

There is an estimated reduction in external audit fees following the ending of the Comprehensive Area Assessment and Use of Resources judgements £75,000 although this is subject to confirmation and negotiation with the Audit Commission. It is proposed to end the 11x staff bus service which currently costs £96,000 because it is not a considered a cost effective means of enabling staff to undertake any essential travel between key corporate buildings during working hours. £20,000 of the saving will be set aside to refund staff for travelling on the main bus network for work related activities and to ensure that special arrangements can be made for any staff with disabilities when needed. A reduction of £50,000 in the Life Events budget will be made through other efficiency savings.

We anticipate the continuation for one more year of the contracts to provide Chief Finance Officer and Financial Services support to the South Downs National Park Authority. This is in line with our approach to share services where possible to

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reduce costs. The estimated one off net additional income is £70,000. There is also one-off resources arising from the continuation of the use of the existing Microsoft Enterprise Agreement of £150,000. Together this funding will be reinvested to provide essential project management support and specialist procurement expertise for the delivery of the long term savings plans and Improving the Customer Experience (ICE) workstreams.

2011/12 Budget proposals summary:

	Adjusted Base Budget 2010/11	Inflation	Service Pressures & reinvestment	VFM Programme Savings	Savings from Commissioning Changes	Efficiency Savings and Income above Inflation	Net Change in Budget to 2011/12
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Finance	5,829	63	80	(789)	0	(275)	(921)
Customers & Information	9,563	64	495	(218)	0	(500)	(159)
Property & Design	3,385	56	345	(100)	0	0	301
TOTAL	18,777	183	920	(1,107)	0	(775)	(779)

STRATEGY & GOVERNANCE DIRECTORATE 2011/12 BUDGET PROPOSALS

Strategic Context and Direction of Travel

Strategy & Governance delivers key business internal support such as HR, Communications, Legal & Democratic services, Policy and Analysis and has also been central in developing and enabling the move to strategic commissioning, developing the city wide partnership agenda and delivering the one and three year grants program with the Community and Voluntary Sector.

The main pressures across the directorate result from the loss of short term funding which was some funding core activities and a reduction in legal services income from property transactions. National policy changes such as the end of the Local Area Agreement and the Comprehensive Area Assessment and a number of other data and performance management requirements provide new opportunities. They mean that Strategy and Governance can achieve efficiency savings and re-focus performance management activity to support the Council’s own vision and local priorities, which will be vital to the success of the move to intelligent commissioning.

Strategic Response in this Context:-

The key focus across the directorate is: -

- Ensuring the success of the Council a City Deserves transformation programme including in particular Intelligent Commissioning.
- Driving down costs in the back office functions by implementing new technology.
- Achieving the efficiencies and savings offered by changes in central government reporting requirements.
- Delivering value for money programs that transform our approaches to service delivery.
- Maximising opportunities to gain income from third party transactions.
- Actively seeking sponsorship or partnership funding for key activities and service delivery.
- Ensuring the successful impact of commissioning on service areas and delivery.

Financial and Service Pressures

The main financial pressures on the Directorate’s services over the next year are shown in table 1 below:

Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy	2011/12 £’000
None	0

Table 2 – Further Service pressures as a result of expected grant funding ending or reductions	2011/12 £'000
(Analysis & Performance) Loss short Term funding inc LPSA Reward Grant	180
(Communities & Equality) Loss grant funding inc LPSA ¹	450
TOTAL	630

Approaches to savings 2011/12

Human Resources

The implementation of the new HR and Payroll System is a key part of the budget plans for Strategy & Governance. It is a 'post' based, integrated suite of software which will deliver more efficient HR processes and procedures as well as improved financial controls and reporting capability. Savings will be found to fund the 2011/12 revenue costs associated with the new system of £176,000, including the prudential borrowing financing costs. This is in line with the original business case assumptions presented to Cabinet when the investment was approved. Ongoing support for the system as the project moves from design to implementation creates a further pressure of £118,000 which will be funded through further efficiency savings across the council generated by the use of new system. Delivery of those savings will depend on all services making full use of the system and consolidation of some tasks.

HR have undertaken a full review of its current budget in order to ensure that its services are properly prioritised to support the Council's requirements, particularly supporting the VFM Programme, the move to Intelligent Commissioning and further changes to how the council is organised and conducts its business.

Communications

Communications activity continues to be focussed on the eight outcomes set out in the Sustainable Communities Strategy. The Communications team has identified, through its VFM review £163,000 of savings in 2011/12 and will also increase external income by £50,000. Much of these savings relies on the consolidation of work currently undertaken across many different front-line services.

Legal & Democratic Services

Legal & Democratic Services budget pressures are mainly arising from supporting changes in other services (ie additional contract/procurement support and general legal advice), and increase workload in Adults and Children Services. These pressures are being met by reduction in part time vacancies,

¹ Not yet fully dealt with

increasing income from external clients and some restructure of service provision.

Webcasting Council Meetings are expected to cost £20,000 on an ongoing basis and options are being explored to reduce the costs. Webcasting was initially funded from one off resources as a pilot.

Policy

The introduction of Intelligent Commissioning and increase in partnership working is placing pressures and opportunities on both the Policy and Analysis & Performance Teams. Making the best use of all resources across the Council and partners will be necessary to ensure opportunities overcome the pressures.

The Policy Unit has been managing in year pressures in excess of £40,000 for a number of years to fund Brighton & Hove's contribution to support the Local Strategic Partnership. However, the temporary funding that used to fill this gap ends this financial year. It is intended to reorganise resources within the service and the wider Policy Team, including savings from changes in partnership performance management, to help plug this pressure. In addition work will be undertaken with the Public Service Board to ensure costs are evenly shared across partnership members.

Analysis & Performance

The Analysis & Performance Team are affected by the combination of facilitating the delivery of the intelligent commissioning model and the loss of short term government funding which supports a number of key intelligence activities. This is however being off set by the reduction in central Government performance reporting requirements. The corporate performance team has therefore reduced staffing in order to implement efficiencies and is re-structuring activities around the requirements of Intelligent Commissioning and the development of a local rather than national performance arrangement. This is an ongoing piece of work that will be undertaken with other council teams and the city's partners.

The impact of the loss of one off funding has created a specific £60,000 pressure for the Brighton & Hove Information Service (BHLIS). BHLIS provides the Council and the city's strategic partnerships with information about the needs of our residents and as such will form a fundamental part of the Intelligent Commissioning process. The end of the Local Area Agreement, the Comprehensive Area Assessment and a number of other data and performance management requirements will mean the BHLIS service can be resourced through the associated savings. In addition work will be undertaken with the Public Service Board to ensure costs are evenly shared across the partnership.

Phase three of 'A Council the City Deserves' transformation programme aims to ensure resources and activity (including intelligence related functions) are appropriately resourced and located in the different parts of the organisation and through this process stop duplication and improve efficiency. Upon completion of this work we anticipate being able to deliver further organisational efficiencies which will be essential if we are to adequately deliver the required needs analysis programme to support intelligent commissioning.

Communities & Equality

The Communities & Equality Team has relied on short term grant funding particularly from LPSA Reward grant to fund what in some cases is core council activities. It therefore needs to respond to the loss of this funding by delivering savings and reprioritising activity. However it is likely that this will be insufficient and therefore it is assumed that an additional £250,000 direct revenue funding will be invested in this service as part of the Council's overarching budget strategy.

Support for the community, faith and voluntary sectors remains a priority for the Council. To ensure the sector is able to respond positively to new opportunities and financial challenges, the Council, with partners, will continue to recognise the need for a "mixed economy" of funding mechanisms and ensure this mix reflects the need to deliver value for money. For example, small grants are essential for developing new and emerging local, community groups. For other programmes of work, a commissioning process that encourages innovation may be a better route.

Risks

- A number of the strategies, including Analysis & Performance and Communications rely on further centralisation of resources across the council
- The reduction in income to legal services, in particular to conveyancing & S106 as well as additional pressure arising from legislative changes will need to be closely monitored.
- The final stages of the implementation of the HR system will need to be tightly managed, particularly to ensure that the savings anticipated across the council are realised

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2011/12 Budget proposals summary:

	Adjusted Base Budget 2010/11	Inflation	Service Pressures & reinvestment	VFM Programme Savings	Savings from Commissioning Changes	Efficiency Savings and Income above Inflation	Net Change in Budget to 2011/12
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Human Resources	4,078	32	0	0	0	(105)	(73)
Communications	488	1	0	0	0	(11)	(10)
Legal & Democratic Services	2,396	15	0	0	0	(23)	(8)
Policy Unit	757	7	0	0	0	(18)	(11)
Analysis & Performance	748	6	180	0	0	(193)	(7)
Equalities & Communities	2,318	41	450	0	0	(232)	259
Members Allowances	1,084	22	0	0	0	0	22
TOTAL	11,869	124	630	0	0	(582)	172

ADULT SOCIAL CARE & S75 PORTFOLIO 2011/12 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 learning disabilities, 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, safeguarding, equipment and adaptations, day options and residential and nursing care.

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

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.

The White paper "Equity & Excellence – Liberating the NHS" (12th July 2010) sets out the Government's ambitions to reform the NHS and prepare it for the future. This paper provides for a strengthened role for Local Government in joining up services across the NHS, public health and social care. The financial impact, funding arrangements and wider of this draft policy are still emerging.

The recent Department of Health publication "A Vision for Adult Social Care; Capable Communities and Active Citizens" sets the context for the future development of social care services; putting people, personalised services and outcomes centre stage. Funding proposals are expected to feature in the White Paper.

There remains significant uncertainty at a national level over long term funding arrangements for adult social care. The spending review confirmed that certain social care grants have been rolled into the formula grant and there will be additional funding in respect of Personal Social Services, these elements are expected to be confirmed in December 2010.

Our strategic response to this context includes:

The proposals are a continuation of the previous initiatives, linked with the three year Personalisation agenda and Value for Money programme:

- Achievement of Value for Money savings through Personalisation including Self Directed Support, Reablement and improved commissioning
- Reviewing our approach to S75 partnership arrangements and ensuring clear responsibilities and accountabilities.
- Improving performance and efficiency through technology, and better business processes, including e-monitoring of home care.

- 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 partnerships, strong commissioning and alternative models of service delivery and developing joint initiatives including “Shared Lives”.
- Focusing on the prevention and well-being agenda and working collaboratively to deliver this.
- Building on the social capital in the City to reduce demand on mainstream services.

Financial and Service Pressures

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

Table 1 - Unavoidable service pressures which are dealt with as part of the budget strategy	2011/12 £'000
Adult Social Care	
Demographic Growth- Physical Disabilities- equivalent to 20 additional homecare service users	162
Demographic Growth- Learning Disabilities- equivalent to 21 transitions and 16 additional service users	1,514
Increase in Ordinary Residence Claims	96
Emergency Duty Service reconfiguration	88
Sub –total Adult Social Care	1,860
S75 Health Led : Provided through Sussex Partnership Foundation Trust (SPFT) and Sussex Community Trust (SCT)	
Demographic Growth Adult Mental Health equivalent of 19 service users	237
Demographic Growth Older People Mental Health equivalent of 9 service users	168
Sub –total S75 Health	405
TOTAL PRESSURES	2,265

Table 2 – Service Pressures as a result of grant funding coming to an end (dealt with as part of budget strategy)	2011/12 £'000
Adult Social Care & S75 – managed within budget	0
TOTAL GRANT PRESSURES	0

Grants

An exit strategy had been developed for the Living with Dementia Grant which is expected to end in 2010/11 and as a result there are no future commitments against this grant. The Social Care Reform Grant and the Stroke Strategy Grant are to be rolled into the formula grant and assumptions on the likely reduction of other specific and Area Based Grants have been managed within budgets. There are therefore no pressures resulting from grants included in this budget strategy.

Other Pressures

Unexpected pressures are arising including increases in expected ordinary residence claims following the deregistration of independent sector homes and potential increases in supported accommodation in the city.

These pressures require the directorate to find savings of £2,953,000 for this portfolio (or 4.1% of its net budget) to meet the target cash increase over 2010/11. These savings have been identified within this budget strategy.

Proposals for main savings

These proposals are set within the context of the personalisation of social care services across all service groups.

Value for Money Programme-Personalisation

Year 2 of the programme is expected to generate further savings of £1,551,000 through the approaches described below.

The shift in focus is that everyone who meets the council's eligibility criteria (critical and substantial) will initially, if appropriate, go through a period of support and intervention to promote independence before being 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.

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.

As a result savings 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 and Promoting Independence**

The future savings proposals are based on wider roll out of re-ablement and promoting independence services over the next few years. The financial sustainability model demonstrates that savings can be realised by applying this model to all people we work with including those that have needs that could be better met by further utilisation of technology (Telecare), aids and adaptations and re-skilling.

- **Workforce**

Traditional workforce models are not appropriate for a transformed social care service. New services will be based on co- production, this will be supported by the development of User Led Organisations (ULO's) that will assist people on options for support e.g. Personal Assistants. The redesign of services will focus our experienced staff on three key areas of assessment, personalisation and safeguarding.

Financial modelling of this new service design shows that a 10% reduction in costs can be made across the adult social care workforce. In 2011/12 it is anticipated that £400,000 could be achieved (included in the overall £1,551,000 value for money savings)

Commissioning Arrangements

Major joint commissioning strategies in relation to Short Term Services and Mental Health are underway. These are currently going through due process and development, with the Short Term Services proposals expected by April 2011 for implementation in year. The redesign of Mental Health Services is being taken forward jointly with the Primary Care Trust and Sussex Partnership Foundation Trust with a project plan in place. In addition, work needs to continue both within Adult Social Care and at a corporate level to develop social capital, realigning some prevention and low level support.

The above strategies will result in a fundamental market shift that will need careful management.

Better commissioning of services from independent sector providers will drive out efficiencies of £1,016,000 by cash limiting contract values with a below inflation increase and reviewing contract specifications and activity levels. This will enable us to achieve reductions in unit costs and bring spend in line with comparator authorities.

Section 75 Arrangements

A draft budget strategy and 3 year financial recovery plan is being developed under the current Section 75 arrangements with the Sussex Partnership NHS Trust (SPFT). This is work in progress and dialogue continues to ensure that any pressures and savings identified are agreed between BHCC and SPFT and embedded within a revised S75 agreement.

The draft budget strategy under the Section 75 arrangements with the Sussex Community Trust (SCT) is under discussion with commissioners

Learning Disabilities

Learning Disabilities services will contribute to the overall Value for Money and efficiency and other savings through the personalisation and Value for Money strategies.

Other savings

Better use of technology will deliver savings within homecare both for the in-house service through more effective rostering and e-monitoring for external providers.

Austerity measures will be put in place to reduce spend including minimising conference attendance and reviewing frequency of mandatory training.

It is anticipated these measures will generate combined savings of £386,000.

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 is planned to be well resourced and tightly monitored to ensure delivery.

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Another key risk is maintaining the market stability whilst developing the market and the new service model. We need to ensure contracted services remain of good quality and are safe.

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

Government policies on future charging and the vision for adult social care are still emerging.

2011/12 Budget proposals summary:

	Adjusted Base Budget 2010/11	Inflation	Service Pressures & reinvestment	VFM Programme Savings	Savings from Commissioning Changes	Efficiency Savings and Income above Inflation	Net Change in Budget to 2011/12
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	36,170	568	162	(950)	0	(754)	(974)
Learning Disabilities	23,202	371	1,610	(601)	0	(359)	1,021
Section 75 (SPFT)	10,443	185	493	0	0	(251)	427
Section 75 (SCT)	1,816	19	0	0	0	(38)	(19)
TOTAL	71,631	1,143	2,265	(1,551)	0	(1,402)	455

HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2011/12

Strategic Context and Direction of Travel

The HRA budget will be set within the context of the City's Housing Strategy and the overall aim of 'achieving excellence in housing management', 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 HRA 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 budget strategy also reflects the priorities of tenants and leaseholders as a result of their close involvement in deciding how housing services are planned and delivered (as detailed in the Housing Management Annual Report 2010).

The HRA Budget will 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:-

- Aligning our resources with the Housing Improvement Plan priorities through:
 - Reducing our management costs through phase 2 of the Customer Access of Review in recognition of the need to achieve greater value for money and to have a sustainable future
 - Continued investment in the Turning the Tide strategy to tackle antisocial behaviour and reduce social exclusion
 - Measures to tackle overcrowding through an enhanced housing options approach
 - Engaging with residents on developing a local priorities framework
- An annual Housing Subsidy settlement which will result in a net transfer of resources to the government from the council. The Government has now announced its intention to use the Devolution and Localism Bill to abolish the current housing subsidy system, subject to Parliamentary approval. A new system of self financing is intended to come into effect from 1 April 2012. Under this system the council will no longer be required to transfer its resources to central government but in return will be required to take on additional housing debt at a level which is sustainable in the long term. This system will enable the council to plan for the longer term and to use some of

the extra resources to maintain homes and possibly to build new ones.

- Lease properties to Brighton & Hove Seaside Community Homes, the housing company set up by the council to raise investment for improvements to council tenants' homes.
- Work with residents to ensure that the Council is able to respond to opportunities to generate renewable energy and maximise the level of revenue resources available to support the Decent Homes Programme.
- Continue the development of a comprehensive estates masterplan in partnership with tenant representatives to inform best use of our assets and identify opportunities to build new Council homes. The initial findings have identified development sites where there is the potential to build over 800 new homes over the next few years.

Financial and Service Pressures

Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy	2011-12 £'000
Increase in Subsidy Payment to Government net of rent increase and capital financing	170
Leaseholder service charges income budget has been set at a greater level than the actual charges.	100
TOTAL	270

The service pressures for 2011/12 are £270,000, pay and inflationary increases are £610,000 which together result in an overall funding requirement of £880,000. These are funded by savings proposals of £913,000.

The level of revenue contributions to the programme is in line with the current HRA 3 year capital investment programme funding projections as well as the current HRA Business Plan projections to meet decency by 2013.

Approach to savings in 2011/12:

Housing Management has identified savings of £913,000 (equivalent to 8.6% savings target) in the following areas:

Housing Management

A reduction in the Housing Management unit costs will be achieved through a mixture of:

- A savings target of £263,000 from the implementation of the Customer Access Review in order to meet the management cost savings target included in the HRA 30 year Business Plan.
- A reduction in the miscellaneous fees and stationary budgets of £50,000 and a reduction in the support required from legal services and human resources resulting in a saving of £44,000.
- The shared use of Lavender Street Housing Office by CYPT will enable the HRA to share the running costs and provide savings of £90,000.

Property & Investment

Savings within Property & Investment will ensure that long term contracts continue to deliver value for money and some savings will also support the reduction in Housing Management unit costs. These savings include:

- A saving in employee costs of £130,000 from reduced pension liability costs associated with the transferring of staff to Mears under the Repairs, Refurbishment and Improvement Partnership.
- Deletion of a Water Engineer vacant post whose duties will be incorporated into an existing Health & Safety Manager role at a saving of £36,000.
- The budget strategy includes target savings of £300,000 for the new Mears responsive repairs and planned maintenance contract. The Mears IT systems provide savings through efficient booking of repairs jobs and delivery of 'Right First Time' repairs. In addition, the IT systems enable Mears to assess whether some repairs should form part of future planned works and through packaging works together further savings can be achieved. This sum also includes savings in the leasing of an office through co location at the Housing Centre.

Staffing Implications for the Directorate:

There are likely to be staffing implications arising from the outcome of the review of Customer Access. However, as this review and its implementation is not planned to be completed until October 2011, the detailed staffing implications are not yet known.

EXTRACT FROM DRAFT MINUTES OF ADULT SOCIAL CARE & HOUSING OVERVIEW & SCRUTINY COMMITTEE 6 JANUARY 2011

Present: Councillors Meadows (Chairman); Wrighton (Deputy Chairman), Allen, Davey, Janio, Older, Barnett and A Norman

Also Present: Councillor K Norman

Co-opted Members: Steve Lawless, LINK

PART ONE

47. SCRUTINY OF BUDGET STRATEGIES

Housing Revenue Account

47.1 Nick Hibberd, Head of Service, Housing & Social Inclusion , presented the Housing Revenue Account (HRA) element of the Budget Strategy papers and responded to councillors' questions.

Mr Hibberd explained that the council was still waiting for the final confirmation of the HRA subsidy determination from central Government. The budget strategy being discussed today reflected the current housing subsidy system; a new system of self-financing was due to come into force from April 2012 which would mean that the council could keep all of its housing revenue.

The service was planning to make savings by reducing management unit costs. Investment proposals are focused upon the Turning the Tide initiative, and maximising revenue resources in order to invest in decent homes, renewable energy and house building.

47.2 In response to a query about the £130,000 employee pension savings in the Property and Investment section on page 33 of the report, Mr Hibberd said that this was a saving in the pension liability cost estimation made at the time of the TUPE transfer of staff to Mears. He confirmed that all of the staff had been transferred on full Local Government pension arrangements.

47.3 In response to a question about the current situation with the Local Delivery Vehicle (LDV), Mr Hibberd confirmed that Cabinet had approved a report in November 2010 giving officers permission to work with the LDV to seek funding, and this was proceeding. In addition, officers were continuing discussions with the CLG regarding consent..

47.4 Members asked why the leaseholder charges mentioned on page 32 appeared to be £100,000 higher than the actual charges.

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Mr Hibberd clarified the strategy include an estimated reduction in the income budget for leaseholder service charges, due to the budget being set a greater level than the actual charges

- 47.5 Members asked for more information about the Turning the Tide initiatives, which was a programme to improve the lives of residents in the city to tackle issues such as unemployment and anti-social behaviour.

Mr Hibberd said that the pilot interventions had been successful and were due to be introduced on a citywide basis where appropriate. There had been some local initiatives including Rate Your Estate.

- 47.6 In response to a query about possible impacts on frontline staff due to any budget reduction, Mr Hibberd said that he was not anticipating any significant impact on staff. In future, the service may work with staff to try and deliver services in a different way, but it would not significantly affect the numbers of staff.

On page 44 of the report, there was more information about the staffing implications of the Customer Access Review. The review was intended to streamline customer access arrangements to housing management services, co-locating some back office functions and reducing Housing Officer time spent on administration. Mr Hibberd explained that the review work was due to be completed in October 2011, at which point there would be more concrete information about staffing proposals.

- 47.7 Members asked whether it was possible to borrow now against the potentially increased 2012-13 Housing Revenue Account money, in light of the proposals in the Localism Bill to allow authorities to keep all of their housing revenue. Mr Hibberd said that as the Localism Bill was not statute yet, it would not be possible to do this.

- 47.8 Members asked whether any planning and budgeting had been made for the impact of cold weather and contingency plans.

Mr Hibberd said that the budgets had seasonal profiles to reflect trends in service demand. This was particularly important for Repairs, who always had a spike in demand in winter months. Housing Management had business continuity plans, which had worked well to date, particularly in the recent snow spells. Extra grit bins had been installed in larger estates as well as the gritting service provided by the highways service.

Housing Strategy Budget

- 47.9 Martin Reid, Head of Housing Strategy and Development, and Narinder Sundar, Commissioning Manager, Supporting People presented the Housing Strategy element of the Budget Strategy papers and responded to councillors' questions.

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Key elements to the budget strategy included renegotiating provider contracts for temporary accommodation, and joint commissioning of some supported housing. Housing Strategy did provide some hostel accommodation but was much more often a commissioner of services.

- 47.10 Members asked for clarification of the homelessness grant amount referred to on page 24 of the report. Mr Reid said that the council had retained the same level of homelessness grant as last year with indications that this may rise in the future.
- 47.11 Members said that they were concerned that the drive to re-commission and streamline services referred to on page 23 would have a negative impact on smaller third sector providers.

Mr Reid said that this should not be the case; it was important to retain a mixed economy of providers for the Supporting People programme. It was necessary to look at the economies of scale and also to help support small providers.

Ms Sundar said that they were very keen to protect small specialist providers; it was important to provide a range of services for all client groups. They had been working with their Supporting People providers throughout 2010, reviewing their processes through a number of mechanisms including stakeholder groups. The new Supporting People strategy would be in place from April 2011.

- 47.12 Members raised queries about potential work duplication with the forthcoming Health White Paper, in which local areas would be given resources to improve housing and improve poor health.

Mr Reid assured the committee that Housing Strategy would work with colleagues in Adult Social Care and in Health in order to avoid duplication and coordinate the best use of money. However it should be noted that the Supporting People programme was a specialist one with a focus on housing and homelessness in vulnerable people.

Adult Social Care budget scrutiny

- 47.13 Councillor Ken Norman, Cabinet Member for Adult Social Care, and Karin Divall, Assistant Director, Adult Social Care, presented the Adult Social Care element of the Budget Strategy papers and responded to members' questions.

There had been increased pressures due to demographic growth and increased expectations of customers. Key strands to the budget strategy included the further roll out of personalisation, Value for Money initiatives and workforce efficiencies.

- 47.14 Members commented that that ringfencing around Learning Disabilities funding was disappearing; would services be affected?

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Ms Divall confirmed that it was the intention that efficiencies would be made in Learning Disabilities through integration of the service within Adult Social Care and with personalisation. Efficiencies would be made around reablement, the use of technology etc. There were no plans to reduce services or funding.

- 47.15 Members asked whether it was the case that everybody would be moved onto Personal Budgets or whether there was any scope for discretion. How were savings being made through personalisation?

Councillor Norman assured the committee that personal budgets were available for those who wanted them but that people would never be forced into using them, as not everybody would want to use them. It had been shown from experience that people using personal budgets were able to get lower prices for services than the local authority so savings were being made.

- 47.16 Members asked about the implications of some grants ending. Ms Divall said that some of the grants had been scheduled to end and provision had been made in those cases. In particular, in the case of the dementia grant, this had been used to run a time-limited project for carers from the BME community. The PCT had now committed to finding the funding for the project so the work would be sustained.

- 47.17 Members commented that personalisation seemed like a very positive story, with benefits for the customer, for the provider and for the local authority, leading to genuine choice for users. Councillor Norman said that it was about rearranging services in a more proportionate manner. The savings made by doing so would eliminate the need for cuts.

- 47.18 Members asked whether Councillor Norman thought that Intelligent Commissioning would help to make significant future savings; Councillor Norman said that he was unable to say at this stage what the outcome would be but he hoped that this would be the case. It might be better to direct this question toward the Director of Finance.

- 47.19 Members asked for more information about the Section 75 reviews.

Jane Simmons, Head of Commissioning and Partnerships, explained that there were three Section 75s in place in Brighton and Hove concerning joint working with a variety of health partners. The arrangements were working very well, but there had been some lack of clarification around contract requirements, roles and responsibilities and it was an opportune time to review and clarify working arrangements for everyone.

- 47.20 Members said that they welcomed the intention to continue building social capital as this had huge benefits for the city. However long-term gain was only possible with short term investment now; was this being planned?

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Ms Simmons said that the council needed to complete a 'Prevention and Wellbeing' strategy which would show how the council could provide universal services. There was thinking around introducing community hubs to deliver some services. The Supporting People team also had some resources to help support social capital. The challenge was to bring the funding streams together in a coherent and meaningful way. Nevertheless it was recognised that developing social capital was a major challenge.

- 47.21 Members asked about the impact on the workforce with the planned rearrangement of services.

Ms Divall explained that it was about changing the way in which people worked. She gave the example of Access Point, which provided a proportionate and timely response to their callers and had dealt with the backlog of clients waiting for Occupational Therapy assessments. It was able to deal with 90% of cases at the point of contact, freeing up social workers to carry out the more involved and complex work. There was a similar situation in the case of reablement, where some concentrated work with the client at the outset freed up social worker time later on to focus on more demanding cases.

- 47.22 Some members queried how it was the case that there could be no additional service pressures with the removal of some significant grant funding. Councillor Norman assured them that this was the case and that personalisation and new ways of working such as Access Point had freed up considerable resources for other areas. He said that he believed that the service could continue to be provided within budget.

- 47.23 The committee thanked all of the officers for their work and thanked Councillor Norman for attending the scrutiny committee. Councillor Norman expressed his thanks for the officers' work too.

- 47.24 RESOLVED** – That the Committee have noted and commented on the proposed budget strategies and that the minutes are sent to the Overview and Scrutiny Commission for their information.

**EXTRACT FROM THE DRAFT MINUTES OF ENVIRONMENT & COMMUNITY SAFETY
OVERVIEW & SCRUTINY COMMITTEE 25 JANUARY 2011**

Present: Councillors Morgan (Chairman); Janio (Deputy Chairman), Davis, A Norman, West and Older

PART ONE

37. SCRUTINY OF BUDGET PROPOSALS

37.1 The Head of Planning and Public Protection introduced the report on Budget Proposals for the Environment Directorate.

37.2 The Strategic Director Place and Strategic Director Communities were present with other senior officers to discuss their areas of work and reply to Members' questions. The officers included Lead Commissioner City Regulation and Infrastructure, the Commissioner Community Safety; Head of Environmental Health and Licensing; Head of City Infrastructure and the Head of Financial Services, Environment.

37.3 The Strategic Director Place told the meeting that during the year there had already been preparations for a fall in income across the Council. There had been loss of grant or reduced income in Community Safety, Parking Services and Development Planning. There was still uncertainty around Local Authorities' grant settlements.

37.4 The Head of Planning and Public Protection said the some of the changes made in last year's budget needed time to establish. Therefore for 2011/2012 only limited savings in CityClean waste collection service and little change to parking charges were being proposed.

37.5 These proposals were based on work done earlier in the financial year and further work was needed. The report showed around £2.27 million savings were needed to be found, which would be a challenge for Environment.

37.6 The overall aim for Environment was to achieve saving of 7% in each of the service areas. This broadly would be achieved under these proposals, including for example renegotiating parking enforcement contracts, reducing the use of consultants and making better use of car parks.

37.7 Members asked for a clearer description of the table of budget proposals summary at the end of Appendix 2 and questioned whether there was enough up to date information in the report to enable meaningful scrutiny of the proposals.

37.8 The meeting heard that the Heads of Service had outlined their budget savings, based on the report that was considered by 9 December Cabinet. More savings and increased income were being sought; officers could highlight directions of travel.

37.9 The Head of City Infrastructure told the meeting that relatively small savings this year by CityClean would be achieved by vacancy management, the introduction of new street

sweepers and changes to the 'In Bloom' competition arrangements. There were no significant changes planned for the waste or recycling collection services; recycling was constrained at present by the materials that the materials recycling facility can receive. Costs of diesel had risen and there were changes to where 'red' diesel can be used.

37.10 Replying to questions the Lead Commissioner City Regulation and Infrastructure told the meeting that the Council was working with the Car Club owners on charging for parking bays and expanding into other areas of the City.

37.11 There was new government guidance on concessionary bus fares and this area now formed part of the corporate critical budget. Officers were working with corporate finance and the bus operators, he said.

37.12 The Strategic Director Communities said there was considerable uncertainty about the overall level of Community Safety funding for the City. This presented significant challenges especially as the Community Safety services are delivered in partnership with other organisations whose budgets are not synchronised with the Council's budget timetable. However the close working relations in the Community Safety Partnership was an advantage.

37.13 A key budget management principle was to minimise the impact of changes on the community and voluntary sector. At this time when all the Council's work is being reviewed, ways were being considered to link up Community and Equality areas of work.

37.14 The Commissioner for Community Safety explained that the £347,000 savings identified thus far would result from changing working arrangements without impacting on service delivery. It was proposed to look at four teams and to re-prioritise work in the Drug and Alcohol Action Team. It was planned to merge the Environment Improvement Team with the Communities Against Drugs Team and to combine the Hate Crime and Anti-Social Behaviour Teams. One or possibly two vacant posts may be held but there would be no reduction in frontline services including casework services to communities.

37.15 Criteria had been agreed in partnership and early intervention would be prioritised. Some savings had been jointly agreed, with the police and probation service taking into their mainstream budgets up to 12 posts previously funded from pooled budgets.

37.16 Restructuring and better focussing on priorities would result in better outcomes; for instance in more support for Local Action Teams and for minority groups. Benefits would also accrue from co-location of services.

37.17 The Strategic Director Communities emphasised that parts of the Government settlement were particularly complex and that following the relevant budget lines was a challenge. For example former Home Office community safety grants would now transfer to Children and Young Peoples' Trusts.

37.18 Removal of ring-fencing from Government grants meant more flexibility and also more complexity. Next year's budget proposals would be based on the new Council structure.

37.19 The Head of Planning and Public Protection outlined the measures to help offset the significant loss of the Planning Delivery Grant.

37.20 He reassured Members that all the proposed savings in each area were based on the principle of avoiding impacting on frontline services, customers and stakeholders. Asked about the report's references to reductions in staff, he stated that every effort was being made to avoid redundancies. However some aspects of the reduction in grant funding still needed to be resolved.

37.21 The Committee heard answers to further questions on investment in car parks, parking tariffs for penalty charge notices (PCNs) and the number of parking enforcement officers. The £230,000 'Director' budget line in the adjusted Base Budget 2010/2011 would not appear under the new council structure. The impact of inflation would be absorbed during the year and at this stage, was not expected to be high.

37.22 Members expressed support for the maintenance of car park equipment in-house.

37.23 The Chairman felt it would be helpful to include a report on measures to encourage the use of car club vehicles, on the scrutiny work programme for next year.

37.24 He thanked the officers for providing information to the Committee.

37.25 RESOLVED; that the comments from this comment be forwarded to the 1 February Overview and Scrutiny Commission meeting to be incorporated into a single scrutiny response to the budget.

**EXTRACT FROM THE DRAFT MINUTES OF CULTURE, TOURISM & ENTERPRISE
OVERVIEW & SCRUTINY COMMITTEE 26 JANUARY 2011**

Present: Councillors Kennedy (Chair); Davis, Harmer-Strange, Allen and Randall

Also Present: Councillors Smith and Fallon-Khan

PART ONE

48. SCRUTINY OF BUDGET PROPOSALS

48.1 The Cabinet Member for Culture, Recreation and Tourism, Councillor Smith introduced the report, noting that Brighton & Hove had once been a seaside resort, then became a City and is now a world-class City for Culture and Tourism. Despite the current economic position the City is still faring well. The report sets out a strategy to deal with current service pressures and would be revisited as more information was available.

48.2 Councillor Smith was pleased at the good relationship between Cabinet and Scrutiny. This was a testimony to Members and officers working well in co-operation. This close working with officers was key to getting the best outcomes possible for residents of the city and people who work and study here.

48.3 The Cabinet Member for Enterprise, Employment and Major Projects, Councillor Fallon-Khan said he was focussing on boosting the City's economy and attracting inward investment. He referred in particular to the development of New England House, to closer working with the Universities for example, who were changing courses to better support new businesses and retain the finest students, and working to help smaller businesses find office accommodation. As part of the Business Retention and Inward Investment work, they were approaching those who had unused land in the city to explore its use through improved flexibility around planning.

48.4 There were relatively high levels of inward investment and the City was 'punching above its weight.' He was working to accelerate a number of major projects and the officers were to be congratulated for bringing together Amex with the Community Stadium.

48.5 Councillor Fallon-Khan said he was looking at creative ways to bring in from outside the council, more investment into local organisations. Social enterprises were welcome and businesses needing help were encouraged to write to him.

48.6 The Strategic Director Communities outlined the three key principles underlying the budget proposals: protecting frontline services as far as possible; looking how to trim budgets and make efficiencies across the Council without affecting services; and creating the new Delivery Unit – how to deliver services such as library services in different ways.

48.7 The proposals contained no changes in the Library pfi, other than to maximise its value, and no library closures. This was probably unique for any Local Authority under the present conditions, he said.

48.8 The Chair was pleased that many of the service areas did not appear to be facing significant cuts but asked for more information on the proposed changes to the Renaissance programme and Supported Employment.

48.9 Janita Bagshawe, Head of Royal Pavilion & Museums explained that nationally there had been a 15.04% cut for 2011/12 compared with the previous year. However the dismantling of the central team of the SouthEast region Renaissance Strategic Group, hosted by Hampshire had in fact led to a minor increase in the budget for Brighton & Hove compared with last year. But this was a transition year and there would be competitive rounds in future, leading to fewer museums in receipt of this funding. Officers were considering how to deliver good practice on a core budget and draw in further funding.

48.10 Asked about boosting visitor donations to museums, Ms Bagshawe explained that a recent scheme to encourage visitors to donate more had met its income target, albeit a fairly modest one. The charitable arm of the Royal Pavilion had now moved from the status of Friend to Foundation and membership had risen from 1,000 to 1,400. Membership target for 2011 was 2000 rising in future years to 6,000 which would provide a sounder infrastructure for further fundraising.

48.11 Regarding the use of Renaissance funding for 'additional' Ms Bagshawe referred to examples such as website development, digitisation of collections to meet museum accreditation standards which could not be done on core capacity of staff; bringing in external staff and expertise on archaeology and natural history; micro-museums in libraries, and work in Children's Centres. She highlighted the fact that programmes starting out as 'additional' could quickly develop into 'core' provision. This can be challenging in terms of staffing levels.

48.12 If the challenge of tackling staff roles, responsibilities and work emphasis would allow it, Ms Bagshawe said she would like to do more educational work.

48.13 With reference to the Booth Museum and Preston Manor, Ms Bagshawe told Members that the original focus of the Renaissance funding was on Brighton Museum and Arts Facility. In recent years smaller museums were being included. Preston Manor now had more interpretation and sound, and they were working with Sussex Museums who had formerly decanted natural history collections to Brighton and Hove. There had been cataloguing and a thorough review of the social and scholarly value of the Booth Museum collection. Special evening events there had also been successful.

48.14 The Libraries and Museum service had good relations with the universities. Cataloguing and other projects by students and other working as volunteers supervised by expert curatorial staff were of mutual value. This area was worth developing further.

48.15 The Museums Service does loan both abroad and in the UK. It also borrows temporary exhibitions from elsewhere but transport and specialist staff are costly. Costs are paid by the host organisation.

48.16 Replying to a question on potential staff reductions the Strategic Director David Murray pointed out that in shaping the Delivery Unit structure Adam Bates, Head of Tourism and Leisure was now setting out roles and responsibilities, looking at spans of control, numbers of staff reporting to one manager, and dealing with seasonal work. Mr Bates was combining the

different ways of working to build on positive experiences such as the customer approach, and to tackle other areas to be identified for improvement.

48.17 It would take time to meet the challenge of setting a structure that would be fit for purpose not only for 2011/2012 but also for several years hence. There had been early conversations with the Unions but it was early stages as yet and there were no firm proposals. Draft structure charts would be drawn up in around a month. The Chairman asked for further information for the Committee in 31 March 2011 on DLU staffing structure and arrangements

48.18 The Committee asked about supported employment and Castleham Industries. Councillor Fallon-Khan (Cabinet Member for Enterprise, Employment and Major Projects) stated that the Council's main consideration was the 22 vulnerable employees and a number of options were being considered. The Strategic Director said an action plan would be produced by the end of the financial year.

48.19 Paula Murray, Commissioner for Culture, explained that the Work Step funding had ended and the Government had brought in Workchoice funding which was contracted nationally to Working Links and subcontracted to Scope. At a local level, Castleham had become a subcontractor to Scope and 22 Castleham employees had transferred onto the new funding scheme. She clarified that the additional 180 people using the supported employment scheme outside of Castleham had also been offered the option to transfer to the new funding scheme.

48.20 Discussions with the Third Sector were in hand. Options concerning the building were being considered as part of the Property Strategy undertaken by the Strategic Director of People, and the Strategic Director of Resources. An answer about ownership of the Castleham building and assets would be provided to the Committee.

48.21 .Responding to other questions, the Strategic Director was comfortable with the Council's partnerships, especially within the Community Safety partnership and in other areas such as with the Dome and Festival. The Library pfi had the advantage that the Council could spend more on stock at a time when other local authorities were cutting their book funds.

48.22 The Strategic Director updated the Committee on the Freedom sports contract. The new contract with Freedom produced big potential savings and was one reason that savings did not have to be made in other areas. Detailed legal advice was being sought on continuity of service for transferred staff and they were close to completion with the unions. Officers would be meeting with Freedom and closely monitoring delivery of the contract.

48.23 The Cabinet Member Councillor Smith answered a query about Whitehawk FC. He said this club, the second largest football club after Albion in the City, was in pre-planning development regarding the ground in East Brighton and were likely to play two seasons at the Withdean Stadium.

48.24 Ian Shurrock, Commissioner for Sport & Leisure, said ongoing talks with Whitehawk FC were positive, as well as with Brighton & Hove Albion. There was a good dialogue on the use of seating and some buildings at Withdean Stadium. The hospitality suite was not to be retained at Withdean.

48.25 The Head of Finance, Anne Silley, stated that the inflation element of the budget proposals was low, assumed to be around 1% which is in line with general inflation and reflects current rates around staff costs and supplies and services.

48.26 The Committee especially congratulated the officers on work on the budget so far, though in the knowledge that further challenges were still to be met. Members thanked the officers for giving their information.

48.27 The Chairman welcomed the fact that frontline services including in Libraries, appeared to have been protected and without loss of staff. Councillor Kennedy asked for regular updates on Renaissance funding, and an update on the Library pfi to the next meeting.

48.28 RESOLVED that (a) the minutes of the meeting be referred to 1 February Overview and Scrutiny Commission and (b) the committee receive updates on staffing and structure changes and on Renaissance funding and the library pfi at the next meeting.

DRAFT EXTRACT FROM CHILDREN & YOUNG PEOPLE'S OVERVIEW & SCRUTINY COMMITTEE 26 JANUARY 2011

Present: Councillors Older (Chairman); McCaffery (Deputy Chairman), Deane, Hyde, A Norman, Phillips and Janio

Statutory Co-optees: with voting rights::

Non-Statutory Co-optees: Carrie Britton (Children's Health) (Non-Voting Co-Optee), Joanna Martindale (Community Voluntary Sector Forum) (Non-Voting Co-Optee) and Rohan Lowe (Youth Council) (Non-Voting Co-Optee)

Apologies: Councillor Melanie Davis, Mike Wilson, David Sanders, Amanda Mortensen and Mark Price

PART ONE

42. SCRUTINY OF DIRECTORATE OF BUDGET STRATEGIES

- 42.1 Councillor Vanessa Brown, the Cabinet Member for Children & Young People, introduced the budget proposals for 2011/12. Councillor Brown reminded the committee that the budget papers placed before them had been produced in December 2010, but that work on the budget was an ongoing process. In addition, some Government grant allocations had still to be confirmed and that hopefully this could help offset the reduction in funding.
- 42.2 Cllr Brown then answered members' questions, with support from Terry Parkin, Strategic Director, People; Steve Barton, Lead Commissioner for Children, Youth & Families; Gill Sweetenham, Acting Lead Commissioner for Schools, Skills & Learning and Louise Hoten, Head of Business Engagement Children's Services & Environment Finance.
- 42.3 Responding to concerns about a 50% reduction in funding for the Education Welfare Service, Mr Parkin told members that there was an opportunity to progress service integration in the council's Delivery Unit including the role of Education Welfare Officers in relation to the mainstream children's social work teams. This would create efficiencies and savings, but more importantly would create a simpler and more coherent care pathway for children requiring support. This was an instance in which improving the service would also create savings. Mr Barton went on to summarise the Children's Services Value for Money Programme and gave specific examples of initiatives which have enabled the council to deliver services more efficiently.
- 42.4 In reply members expressed concern at the impact of any cuts to early intervention services; Mr Parkin told the committee that the council was acutely aware of the importance of early intervention. Indeed, this was a particular local priority given the high numbers of children in care in the city, and, subject to finalisation of the budget it was anticipated that additional resources would be made available to support early intervention. The council was currently examining why the city figures for children in care were so high including the relationship, and assumptions about the links to local

patterns of substance misuse. Particular attention is being given to the incidence of domestic violence and the numbers of children entering the care system. This work (and early interventions based on its findings) will be key to managing the number of children taken into care within the current threshold for intervention which has been carefully reviewed and validated.

Members requested further written details of the detailed plans to restructure children's care services when these became available.

- 42.5 In answer to a question about the quality and timeliness of social work assessments, as identified in the previous report to CYPOSC in relation to the Ofsted Inspection, Mr Parkin told members that the council continues to work closely with its partners about thresholds for referred to social work teams. Inappropriate referrals are an issue as they also require proper assessment and these impacts on available social work resources. By working with partners, the number of inappropriate referrals could be reduced and costs better managed.

Officers agreed to return to the committee at a later date with more details on this issue.

- 42.6 In answer to queries about savings identified in out of city SEN placements, Mr Sweetenham told members that effective early intervention work had reduced the need for specialist out of city placements for children with SEN. It was therefore possible to make savings in this budget area.
- 42.7 In response to questions about plans to reduce city Educational Psychologist (EP) capacity, Mr Sweetenham explained the background to the headline figures in the budget report. When the city had first developed an area team approach to children's services, educational psychologists had taken a lead role in developing services in each locality. As this work was now successfully established and with the improved understanding with partners and parents regarding Special Educational Needs Statements this should reduce the need for Educational Psychologist time.
- 42.8 Rohan Lowe, Youth Council Representative asked whether young people had been involved in the budget consultation, it was confirmed that although the focus groups used for the consultation were in the main adults that Young People were involved in consultation through the work of the Youth Participation Team and specific projects such as the Youth Services Review.
- 42.9 In response to a query as to how a reduction of £130K in youth services could be managed, Mr Barton told members that proposals were being developed through the Youth Service Review to make best use of resources, particularly in terms of efficient use of estates.
- 42.10 In response to questions about city music services, Councillor Vanessa Brown told members that it was an outstanding service, that the savings identified had been agreed by the Head of City music services and that if the grant was lower than expected it would be looked at again. Mr Parkin informed members that these services received relatively generous direct government funding and it should be possible to reduce local subsidies without a negative impact. However, the council was committed to offering

musical opportunities to all city children and would closely monitor the effect of the changes to ensure that they did not unduly impact upon particular communities.

- 42.11 In answer to whether the authority was responding to the SEN Green paper challenges, Members were told the authority works closely with the local Special schools and that it would consult fully with its partners over the planned changes.
- 42.12 In relation to the savings for the Ethnic Minority Achievement Services (EMAS) Members were informed that the service could be provided better and more economically by working directly with schools.
- 42.13 It was agreed to add “outcomes” to the “menu of service interventions options - Prevention activities”.
- 42.14 In answer to a question on when the Equalities Impact Assessments pertaining to these plans be published, members were told that these would be ready for the appropriate Cabinet meetings.
- 42.15 Further concern was expressed that there would be a need to consider the cumulative impact of savings on multiple service users. The Committee were told that this would be taken into account.
- 42.16 The Committee were informed that the minutes from CYPOSC would be forwarded onto the Overview & Scrutiny Commission.

42.17 RESOLVED

The Committee requested additional information (to be supplied at a later date) on:

- (1) The restructuring of the Education Welfare service;
- (2) Partner performance regarding welfare assessment referrals;
- (3) Staffing information of social worker assessment times;
- (4) A report on how Children’s Services was engaging with the local 3rd sector
- (5) “Outcomes” added to the “menu of service interventions options – Prevention activities”

CVSF Report to BHCC Overview and Scrutiny Commission **January 2011**

1. Introduction and context

The following report summarises the contribution of the Brighton and Hove Community and Voluntary Sector Forum (CVSF) to the Overview and Scrutiny Commission's review of the 2011/12 Brighton and Hove City Council (BHCC) budget.

CVSF welcomes:

- The support set out in the BHCC budget principles for protecting the contribution of the community and voluntary sector
- The opportunity for the sector to express its concerns and come together with senior-level decision-makers to share its feedback and influence the budget setting process
- The protection of key budgets which will help sustain important sector services and functions, eg the voluntary sector grants programme and the Discretionary Rate Relief.

CVSF has however significant concerns about emerging budget proposals and the process being followed to draw up the budget. Our summary recommendations are set out below, along with further information on our consultation processes and findings.

2. Questions for the Overview & Scrutiny Commission

2.1 What are the service implications of budget proposals to find an additional £12-18 million savings, on top of those savings identified in the December proposals (based on the 5% and 10% scenario projections currently being developed across service areas)?

2.2 How do these additional savings affect the budget principles set out in December? Will these principles be retracted or amended?

3. CVSF headline recommendations on the budget proposals

3.1 Cuts to preventative services would be a false economy and could cost far more in the long term and compromise the Council's ability to make future savings.

3.1 A long-term view in service planning should be maintained.

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- 3.2 Co-design and co-production should be at the heart the process to find and make efficiency savings which must be supported by a proper and meaningful dialogue.
- 3.3 More cross-cutting work needs to be done for Equality Impact Assessments (EIAs) and information needs to be shared outside the Council.
- 3.4 Contractual rollovers carry **significant risks** and should be minimised as otherwise services could be hit even harder beyond the first quarter.
- 3.5 More services should be contracted out to the voluntary sector, as a means for achieving better value for money in service delivery.

4. CVSF full recommendations on the budget proposals with additional background information

4.1 Cuts to preventative services should be avoided. Maintaining spending on these services will ensure savings in the future by reducing dependency on expensive crisis services:

4.1.1 There are obvious examples: a disabled child in local authority care costs up to 500K / year following family breakdown. Preventative services such as parent carer support and respite, cost a fraction of this amount.

4.1.2 There is clear evidence which demonstrates the long term cost benefit of preventative services, eg in Supporting People.

4.1.3 More intelligence is needed which helps commissioners understand the costs involved in preventative services (eg of supporting service users who are vulnerable) and measure the full value of services which have a social impact (eg measuring soft outcomes, such as improvements to people's lives, tends to be harder to evidence).

4.1.4 The Intelligent Commissioning pilot projects recommendations emphasise that increased investment is needed in prevention and early intervention work.

4.1.5 Preventative services help build social capital and strengthen communities in the longer-term, which is identified as a key principle in the budget setting process.

4.2 A long-term view in service planning is needed, given further budget reductions must be found in 2012/13 and beyond.

4.3 Dialogue needs to be instigated as soon as possible to ensure that commissioners, providers and ideally users work through the remaining budget issues together, as this is the best way in which efficiencies and savings can be found.

4.3.1 Preparing budget proposals is of course a challenging exercise and difficulties have been exacerbated by the unring-fencing of grants. Increased flexibility however allows for more choice about where and how much to spend. Co-design and co-production should have been at the heart the process to find and make efficiency savings. It is unfortunate that even the most basic of dialogue has been lacking, as this means significant opportunities have been missed to find innovative practices which might have resulted in better value for money.

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- 4.3.2 The overview and scrutiny process should be adjusted in future to allow enough time for full engagement in decision-making processes.
- 4.3.3 Dialogue with council officers needs to continue in spite of some council officers' own jobs potentially being affected by cuts. Protective behaviour must be minimised.
- 4.4 More cross-cutting work should be done to understand the implications of reducing multiple services and / or increasing service charges / fees, to fully explore how these changes might disproportionately affect vulnerable people and allow for future long-term service delivery planning.
- 4.4.1 For people who require the highest amount of services the impact of cuts across the board will be felt most keenly. The implications of this are likely to be increased crises where intervention is at its most costly. This is especially true of mental service users, carers, disabled people and children. Mapping 'service users' journeys' would help see the cumulative effect of someone who receives a number of services.
- 4.4.2 Budget screening EIAs have been requested from Lead Commissioners and Heads of Delivery Units. Only three have been supplied to date from the Lead Commissioner for Adult Social Care. It is unclear what, if any, process there has been for involving residents and community and voluntary organisations in undertaking EIAs, to ensure that their voice is being heard and they are engaged in investment priority setting.
- 4.5 There needs to be more and clearer communication from BHCC around how ongoing uncertainties and delays in decision-making are being handled. The lack of information or updates on contractual arrangements is being interpreted by the sector that contracts will roll over and funding be extended into quarter one of 2011/12. In some cases this is now being communicated by senior officers.
- 4.5.1 Delayed decision-making jeopardises the sector's ability to properly plan for and implement processes for resource reduction, eg groups risk being unable to properly carry out their statutory responsibilities when making staff redundant and it is impossible for meaningful exit strategies to be developed.
- 4.5.2 With contractual uncertainty and in many cases redundancy processes underway, (vulnerable) service users risk being affected by services being interrupted or diminished, in advance of any conclusive decisions being taken around cuts.

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4.6 Contractual rollovers carry **significant risks** and must be minimised. Delaying cuts only means that budgets will be even further stretched and cuts will fall harder later in the year.

4.6.1 A practical illustration of this relates to Youth Services: the budget was in December identified as being reduced from £2m to £1m. If £500K is spent in April- June of 2011/12, then half of the 2011/12 anticipated budget (of £1mn) will be spent in just one quarter of the year. This will present significant challenge to commissioners / decision-makers and providers when the services are eventually de/recommissioned.

4.7 More services should be contracted out to the voluntary sector, as a means for achieving better value for money in service delivery. This principle should be embedded in intelligent commissioning frameworks and a community & voluntary sector strategy for the city.

4.7.1 Voluntary sector service provision ensures that services in the city are diverse, innovative and more focused on the whole person. Any cuts to the sector risks losing key provider organisations from the mix and diversity / choice of services.

4.7.2 Contracts/grants which groups receive from BHCC help groups lever in contracts/grants from other sources. A loss of BHCC funding could therefore result in a greater loss of funding for key service areas in the city.

5. Summary of services areas identified by CVSF as high risk

CVSF members have identified the following services as being most at risk of being affected by proposed cuts, in addition to principles which need to be embedded in the budget proposals. For more detail on issues raised by the sector see section 4, pages 6-10.

5.1 Youth services: the proposed £1mn budget cut is unacceptable and the delayed recommissioning process highly problematic.

5.2 Children and Young People disability services: the recommissioning process and budget must be confirmed ASAP.

5.3 The new Child Poverty Strategy: should make clear recommendations for which services should be invested in and which should be cut.

5.4 Advice services: national benefits changes will significantly impact Brighton and Hove. Advice services must be protected in order to prevent increase demand on high-end, expensive services. For example, a reduction in services, which help increase access to benefits or provide support networks, risks increasing the isolation of those already on the edge of service provision, i.e. those with poor mental health, parents of people with learning disabilities and those using services which they are not technically entitled etc.

5.5 Supporting People contracts: already demonstrate value for money and the impact of investment in preventative services. We under this budget has been ring-fenced and would support continued contracting to the voluntary sector.

5.6 Personalisation savings: evidence is needed to demonstrate how savings will be achieved through the personalisation of services, in addition to more planning and prevention for minimising any negative impact on users, providers and the market place (in relation to ongoing service choice and sustainability).

5.7 Learning Disability: the Learning Disability Development Fund has been unring-fenced. This fund has in the past funded a large number of interventions at a grassroots level for very vulnerable people and these projects should continue to be supported.

5.8 Community engagement activities: should be maintained at existing levels as a minimum, and increased in future years. This is required to ensure that BHCC can deliver on policy agendas such as the Localism Bill and Big Society and the statement in December's budget proposals "that building social capital will decrease demand on mainstream services."

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5.9 Community safety: any budget proposals must take into account reduction in policing budgets and ensure that anti-social behaviour does not increase as a result of service cuts. The ending of a range of community safety grants also presents particular challenge for eg domestic violence services.

5.10 Making savings and increasing fees:

Savings on back-office functions must be maximised, eg no savings have been put forward in HR which is inconsistent with other departments. Budget proposals which rely on increases in income generation / revenue at a time when most people will have less money to spend seem unrealistic and must be based on real projections rather than speculation.

6. Background on CVSF's representation and consultation processes

In preparation for this submission and for representing the community and voluntary sector's views in the budget setting process, CVSF:

- Consulted its member organisations: 40 representatives from community groups and voluntary organisations came together on 11th January 2011 and discussed the budget, the process for developing the budget and key areas of concern
- Convened meetings of representatives from CVSF and the Local Involvement Network (LINK – health and social care network) on BHCC overview and scrutiny committees. The group met 4 times to process information available on the budget, identify key concerns and prepare for representatives' contribution to meetings/written submissions. The group also engaged with the wider sector to seek its feedback and input on priority messages and issues
- Co-opted and supported a temporary CVSF elected representative to participate in the Overview and Scrutiny Commission's meetings and discussions around the budget.

CVSF prepared a schedule of work to coincide with the key dates at which O&SC were due to meet and when it was anticipated information on the budget proposals would be available. Because the local government finance settlement was delayed and the preparations for finding savings split into two stages, CVSF's representation has been significantly impeded by a lack of information on the service reductions being proposed.

- We have thus far not been able to engage CVSF members in fully interrogating the budget proposals as we had hoped, given full details of how £30mn savings will be found are yet to emerge (we know only about £12mn to date). *"I feel none the wiser having come to this event"* (participant from 11 Jan 2011 consultation event on the draft BHCC budget)
- Budget proposals have largely been drawn up behind closed doors so we have been unable to facilitate dialogue between the sectors in relation to identifying and preparing for savings. This is a missed opportunity. *"The silence is deafening"* (participant in 11 Jan 2011 consultation event on the draft BHCC budget)

7. Notes from CVSF consultation event on the BHCC budget

The following notes summarise feedback from CVSF members gathered at our budget consultation event on 11th January 2011. More detail and explanation is available on request.

Housing

Headlines

1. Preventative services: CVSF welcomes the protection to date for initiatives which "spend to save". This principle needs to be extended
 - a. Supporting People (SP) have done a great job in measuring and communication of cost-benefit
 - b. SP prevents 'revolving doors' and has increased the quality and through put of services
 - c. Services which are preventative, like SP and advice, might need to be rationed at a time where more people than ever need to access them. Ideas are potentially needed to reduce rationalisation but also to keep networks discussing this as openly as possible to maintain the highest level of efficiency and signposting.
2. 'Advice Services Perfect Storm': cuts to funding nationally and potentially locally, coupled with growing emerging need and a policy maelstrom to navigate, puts advice services at great risk in the city:
 - a. Different budget and policy agenda items are impacting upon Advice Services which are an important part of homelessness prevention: LSC cuts; local cuts; Housing Benefit cuts and redundancies; massive housing policy changes.
 - b. Housing benefit pressures: The voluntary sector has through its Housing Providers Network agreed a set of indicative impacts on the city in relation to the proposed changes. This city is disproportionately affected by these changes and it will be a huge strategic concern to both sectors. BHCC should publish a full impact assessment and predictive modelling of these impacts and work with partners to create mitigating action plans.
 - c. Pressures might unevenly impact on different equalities groups / will even more exclude vulnerable potential tenants from the housing markets
3. The BHCC planning team and committee needs to better meet housing need, eg by embracing new flexibilities to change purposes of buildings (eg change of use from retail, office and current statutory sector owned offices and assets into housing)

Other comments made

- The community and voluntary sector would like more information in relation to the changes in relation to Housing Revenue Account and impacts on the BHCC budget

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- The Housing Team have done some great work in developing a Financial Inclusion Strategy for BHCC tenants – could this be rolled out to more landlords and tenures?
- The Planning Team and Committee should look to work more effectively with developers and the Universities to create more purpose build student accommodation to reduce pressure on properties suitable for families or sharing 'professionals' etc
- City landlords need to increase their role in building 'communities' and tenant voice
- Home owners might need support and advice about taking in lodgers to manage their cost of living

Children and Young People

Headlines

1. The city's youth services are some of the best in the country and have been widely recognised as being so. They are also an excellent example of investment in prevention, rather than crisis support. Why are these services seeing further reductions and how will community provision be developed whilst also reducing funds?
2. The effect of cuts in one service area will have an impact on other service areas, such as the example of cuts to community transport impacting on the services provided by the people who can no get to them; the services are interwoven. Will commissioners be looking at the 'whole web'? Are commissioners working together to see the full picture of cuts impact?
3. The process for decommissioning existing services and the commissioning of new services needs to be clear and transparent. Particularly problematic to contracted organisation is the lack of clarity around future joint funding, eg between BHCC and PCT

Other comments made

- The only information CYP reps have about future commissioning is about an opening discussion on the 'youth offer', which includes looking at arts, libraries, colleges and paid for activities that are available across the city. Information which has been received is unclear.
- There will be other things the city loses as a result of cuts, as well as the cuts themselves. For example, Community Transport's funding enables low cost transport to be provided for groups who work with children and young people. If they can't afford to run the buses, this has a consequence for the groups which use their services. Another example, the cuts to the Connexions Service will impact on the children with disabilities who receive careers support – which they will no longer get.
- Loss of core skills training funding is a concern because groups need access and support to safeguarding information and skills, to comply with OFSTED and safeguarding children.
- Will the Child Poverty Strategy be used to inform how services are commissioned?
- Music Service: has a detailed analysis of who uses this service been undertaken? Are only the most vulnerable of individuals able to access these subsidies? In this time of austerity, could this money be spent on other services (eg generic youth services) to better ensure that need in the city is better met?
- Disability Service: how is this re-commissioning process taking place and are all contracts being re-commissioned?

Environment and Community Safety

Headlines

1. Spending on prevention services must be prioritised in order to make savings in the long term. What is being done to ensure that front line service providers are being prioritised for funding over backroom services?
2. There is a lack of equality impact assessments and cost benefit analyses
3. Cuts to services around community engagement/user involvement could have far reaching impacts beyond the outcomes specified in existing service contracts
 - a. Why if the Human Resources budget is £4million is this department of the Council not being asked to identify and make more efficiency savings? The Equalities and Communities team has a much smaller budget and yet are making double the amount of savings. Indeed this team's savings make up almost half of the entire directorates savings and this is a team which provides much valued support to communities in the city.
 - b. How will the proposal to "Build on the social capital in the City to reduce demand on mainstream services" be achieved, particularly in a context of reduced funds? Building social capital, whilst it has long-term benefits, requires funding.
4. There needs to be creative and sophisticated use of new revenue streams to fund projects eg tourism

Other comments made

The sector has voiced a range of concerns in relation to the high level of savings affecting the environment and community safety budget and how much more can really be shaved off before services are affected:

- This is especially so with regard to communities and neighbourhoods funding, where there is a lack of impact assessment and where there is proven evidence that services are operating well and are effective
- The council's 'picture' of their proposals as set out in December 2010 doesn't really fit with the reality of what groups are hearing eg groups are having to make cuts of 20-30%, higher than those indicated in the budget proposals at that time
- If Community Safety budgets are cut then antisocial behaviour in neighbourhoods may increase. Tenant's Groups would be a good barometer for any impacts of cuts in this budget
- Policy developments around Big Society and the Localism Bill set out a clear future role for the sector and any cuts to eg community engagement/empowerment activities do not fit with these agendas
- Cuts being made within the council are not equitable to the cuts being made outside the council in terms of personnel
- The cost of ending services has not been considered
- The intelligent commissioning pilots are delayed and the processes have not adequately pooled resources to achieve fully joined up commissioning, eg

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domestic violence, where other budgets should be feeding into services in this area

- Services which rely on user involvement and community engagement are in tension with reduced funding, as reducing a little could have potentially much larger impact
- There are mixed messages about whether the three year and annual voluntary sector grants programmes are both protected

Crime related comments:

- Police budget savings will affect community safety so there is the threat of double whammy to services in this area – how is this being accounted for?
- Any planning around savings will be using scenarios of reduced crime (as this is what we have had in recent years) yet, crime is likely to increase in the coming years!
- Volunteering impacts upon community safety: if a service is being delivered by volunteers where is the accountability and can we ask volunteers to take on additional risk?

Environmental related comments:

- Why is 3.5million being invested into car parks at a time of austerity when it will take 36 years to claw back this investment? Can this money not be used to fund children's services and once the council has more money look to invest in car parks then?
- Why are parking tariffs not increasing, surely this would be one way to discourage private car use and increase revenue for the city? Why are you charging for car club spaces when you should be encouraging more car clubs to open up in the city?

Adult Social Care

Headlines

1. Personalisation:
 - a. Where is the evidence of how personalisation is REALLY producing savings? Most people emerge with the same needs / service costs, rather than savings
 - b. Many people are not eligible for personalisation so we cannot expect savings here
 - c. Personalisation risks undermining the viability of particular services, ie if these services are no longer purchased on block then we risk de-stabilising the market
 - d. "Better commissioning of services from independent sector providers will drive out efficiencies of £1,016,000". How exactly will efficiencies in better commissioning be achieved / what plans are in place for this?
 - e. BHCC has not done enough to prepare externally for personalisation, especially around market development. East Sussex County Council could provide learning
2. The Learning Disability (LD) Development Fund has been un ring-fenced and transferred into to the formula grant for 2011/12. This fund has in the past funded a large number of interventions at a grassroots level for very vulnerable people. How will these projects continue to be supported by the council?
3. There are particular equality groups effected by service cuts in this area
 - a. LD advocacy service is reported as having a disproportionate spend but the reason for this needs to be better analysed/understood before decisions are made (ie the need is acute and the service intensive)
 - b. Loss of DWP grant for Castleham Supported Employment Service: what work is being undertaken to re-design and transform this service and will the community and voluntary sector be involved in this conversation? What will happen to any assets released as part of this loss, and will the potential for asset transfer to the community and voluntary sector be discussed with the sector?
 - c. Autism and Aspergers: there is little support and little information on service need
4. There is lots of critical need in the city which often diverts resources away from services addressing the needs of those with mild or moderate conditions (eg in mental health services, where the Equality Commission has identified that mental health issues are the highest priority in B&H). The situation risks being intensified in the context of cuts, which might result in those with less severe needs becoming further away from services
 - a. eg a reduction in services to those at risk of isolation which help increase access to benefits or provide support networks will marginalise users further, eg people on the edge of services, those with poor mental health, parents of people with learning disabilities, those using

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services which they are not technically entitled to but need. This will have a knock on effect eg to GPs

5. There is significant added value of voluntary sector provision in this service area eg money is very often brought into service areas by sector providers – trust/faith, lottery, empowerment. If sector services are cut then this additional income may no longer be levered in.

Other comments made

- There needs to be greater understanding of the impact on users. A good practice example was identified in learning disability services where an officer has scrutinised individual LD service users' packages of care and come up with £1,000s of savings. This good practice pilot needs replicating
- Three year contracts do not guarantee funding and should not be assumed to do so.

