

**Summary of Cash Limited Budgets**

	<b>Housing £'000</b>	<b>Culture &amp; Enterprise £'000</b>	<b>CYPT £'000</b>	<b>Environment £'000</b>	<b>Finance &amp; Resources £'000</b>	<b>Strategy &amp; Governance £'000</b>	<b>Adult Social Care, LD &amp; S75 £'000</b>	<b>General Fund Total £'000</b>
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			-1,631					-1,631
Efficiency savings and additional income	-365	-111	-486	-2,065	-775	-582	-1,402	-5,786
<b>2011/12 Budget Strategy</b>	<b>4,544</b>	<b>11,598</b>	<b>47,539</b>	<b>36,953</b>	<b>17,998</b>	<b>12,041</b>	<b>72,086</b>	<b>202,759</b>
<b>2011/12 Cash Limit</b>	<b>4,544</b>	<b>11,333</b>	<b>48,798</b>	<b>36,980</b>	<b>18,531</b>	<b>11,751</b>	<b>72,086</b>	<b>204,023</b>
<b>Surplus/ (-Shortfall)</b>	<b>0</b>	<b>-265</b>	<b>1,259</b>	<b>27</b>	<b>533</b>	<b>-290</b>	<b>0</b>	<b>1,264</b>

**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.

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

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
<b>TOTAL</b>	<b>337</b>

**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 negotiate 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
<b>Main Service Area</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing Strategy	4,547	25	337	0	0	(365)	(3)
<b>TOTAL</b>	<b>4,547</b>	<b>25</b>	<b>337</b>	<b>0</b>	<b>0</b>	<b>(365)</b>	<b>(3)</b>

**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**

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

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

## **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.

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### 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
<b>Main Service Area</b>	£'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
<b>TOTAL</b>	<b>11,214</b>	<b>119</b>	<b>376</b>	<b>0</b>	<b>0</b>	<b>(111)</b>	<b>384</b>

## 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 Spending 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:

<b>Table 1 – unavoidable service pressures which are dealt with as part of this budget strategy</b>	<b>2011/12 £'000</b>
<b>Corporate Critical</b>	
Disability Agency Placements	414
Independent Foster Agency (IFA) placements	1,631
Residential Agency Placements	493
<b>Corporate Critical Total</b>	<b>2,538</b>
<b>Departmental Critical</b>	
Area Social Work Teams	474
Legal Costs	340
<b>Departmental Critical Total</b>	<b>814</b>
<b>Other Budgets</b>	
Independent Reviewing Officers	114
<b>Other Budgets Total</b>	<b>114</b>
<b>BHCC CYP T Sub Total</b>	<b>3,466</b>
<b>Community Health Budgets</b>	<b>0</b>
<b>Brighton &amp; Hove Teaching PCT</b>	<b>0</b>
<b>CYP T Total Budget Pressures</b>	<b>3,466</b>

The scale of specific grant funding for CYP T 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

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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 re-tendering 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

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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 1<sup>st</sup> 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 CYP**

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000
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
<b>BHCC CYPT Total</b>	<b>47,482</b>	<b>727</b>	<b>3,466</b>	<b>-2,019</b>	<b>-1,631</b>	<b>-486</b>	<b>57</b>

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:

<b>Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2011-12 £'000</b>
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
<b>TOTAL</b>	<b>880</b>

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

### **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.



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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 other 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
Main Service Area	£'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
<b>TOTAL</b>	<b>37,029</b>	<b>452</b>	<b>1,762</b>	<b>(225)</b>		<b>(2,065)</b>	<b>(76)</b>

## **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

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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:

<b>Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2011/12 £'000</b>
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
<b>TOTAL</b>	<b>400</b>

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

### 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

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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
<b>Main Service Area</b>	£'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
<b>TOTAL</b>	<b>18,777</b>	<b>183</b>	<b>920</b>	<b>(1,107)</b>	<b>0</b>	<b>(775)</b>	<b>(779)</b>

**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

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

### **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,

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<sup>1</sup> Not yet fully dealt with



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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 (BHILIS). BHILIS 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 BHILIS 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
<b>Main Service Area</b>	£'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
<b>TOTAL</b>	<b>11,869</b>	<b>124</b>	<b>630</b>	<b>0</b>	<b>0</b>	<b>(582)</b>	<b>172</b>

## 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" (12<sup>th</sup> 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.

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- 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:

<b>Table 1 - Unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2011/12 £'000</b>
<b>Adult Social Care</b>	
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
<b>Sub –total Adult Social Care</b>	<b>1,860</b>
<b>S75 Health Led : Provided through Sussex Partnership Foundation Trust (SPFT) and Sussex Community Trust (SCT)</b>	
Demographic Growth Adult Mental Health equivalent of 19 service users	237
Demographic Growth Older People Mental Health equivalent of 9 service users	168
<b>Sub –total S75 Health</b>	<b>405</b>
<b>TOTAL PRESSURES</b>	<b>2,265</b>

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

### 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
<b>Main Service Area</b>	£'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)
<b>TOTAL</b>	<b>71,631</b>	<b>1,143</b>	<b>2,265</b>	<b>(1,551)</b>	<b>0</b>	<b>(1,402)</b>	<b>455</b>



## 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

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- 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

<b>Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2011-12 £'000</b>
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
<b>TOTAL</b>	<b>270</b>

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:

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- 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 CYPPT 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.

