



**Brighton & Hove
City Council**

**CABINET
ADDENDUM
Item 69
Brighton & Hove City Council
Corporate Plan 2011-15**

4.00PM, THURSDAY, 22 SEPTEMBER 2011

COUNCIL CHAMBER, HOVE TOWN HALL

ADDENDUM

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STRATEGIC & POLICY MATTERS	
69. Brighton & Hove City Council Corporate Plan 2011-15 Report of the Strategic Director, Resources (copy attached).	1 - 76

Subject:	Brighton & Hove City Council Corporate Plan 2011-15		
Date of Meeting:	22 September 2011		
Report of:	Strategic Director, Resources		
Lead Member:	Leader of the Council		
Contact Officer:	Name:	Matthew Wragg	Tel: 29-3944
	Email:	matthew.wragg@brighton-hove.gov.uk	
Key Decision:	Yes	Forward Plan No: CAB23556	
Ward(s) affected:	All		

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

- 1.1 The Corporate Plan describes in summary the priorities of Brighton & Hove City Council as an organisation, providing clear context and direction for, principally, those who receive services from the council and those who work for and with the authority.
- 1.1.1 This plan follows the commonly used format for local authority corporate plans which is:
- *Council Priorities* – which articulate the outcomes the council is seeking to achieve during the lifetime of the plan.
 - *Operational Approach* – how the council will ensure it is fit for purpose and manage its resources, both financial and people, to deliver its priorities.
- 1.2 Given the established and effective partnerships in Brighton & Hove the Corporate Plan references and complements other key strategic partnership plans for the city, in particular the Sustainable Community Strategy (SCS) which sets out the agreed city vision.

2. RECOMMENDATIONS:

- 2.1 That Cabinet recommend the Corporate Plan, as set out in appendix 1, to Full Council for approval.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 In recent years there have been certain statutory requirements which local authority corporate plans have been obliged to fulfil, based primarily on reporting and inspection of statutory performance monitoring. National Government has removed these requirements, giving greater flexibility over content. Most local authorities now produce a Corporate Plan aligned to the Comprehensive Spending Review period.

- 3.2 The Plan is divided into two sections. Part One sets out the council's priorities and Part Two its operational approach, both for the next four years.
- 3.3 Under each council priority are the following:
- I. **Outcomes:** within each priority there are a set of outcomes the council is seeking to achieve over the lifetime of the plan.
 - II. **Commitments:** these are key actions being undertaken to achieve the outcomes and will be updated annually.
 - III. **Measures of success:** these are indicators that will demonstrate if progress is being made towards the outcomes.
- 3.4 Some of the indicators are under review either nationally or locally, in terms of accuracy and availability of resources to collect data. Therefore the indicators will be reviewed as part of refreshing the Plan each year to ensure relevance and robustness.
- 3.5 In addition, under each priority the links to the relevant Sustainable Community Strategy priority and city partnerships are made.
- 3.6 The council's Constitution requires that Full Council agree the Corporate Plan.
- 3.7 The council's Governance Committee will receive an annual progress report and Full Council will receive a report, for approval, on the new commitments for each year. This will follow Budget Council.
- 3.8 It is proposed that the Corporate Plan be hosted as a live, interactive document on the council's website. This will allow the reader to access different levels of detail about the Plan according to their wish, as well be more environmental friendly. The electronic format will allow easy signposting to other information via web links. The Plan will also be available as a full text document and also a designed summary.
- 3.9 To communicate progress against the Plan and update the commitments the Corporate Plan will be refreshed, reported and republished online each financial year. This will also allow the plan to be live to internal, as well as external, developments such as the People Strategy.
- 3.10 Information about the plan will also be included in *The Boardtalk* (the Strategic Leadership Board's communication on *The Wave*), staff roadshows and the staff magazine '*Channel*'.

4. CONSULTATION

- 4.1 The following people were provided with the opportunity to comment and input into the Corporate Plan:
- Members of the staff forums
 - Members of the Overview & Scrutiny Commission
 - Political groups
 - Individual Cabinet Members
 - Corporate Management Team
 - Strategic Leadership Board

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The funding requirements and related assumptions to deliver the Corporate Plan are set out within the Medium Term Financial Strategy (MTFS) attached as Appendix 1 to the report. The Medium Term Financial Strategy (MTFS) sets out the resource projections for the forthcoming three years, the financial challenges and opportunities that the council faces and the approach planned to meet the priorities set out in the Corporate Plan.

Finance Officer Consulted: Anne Silley Date: 13/09/11

Legal Implications:

- 5.2 As indicated in paragraph 3.6 above, it is the responsibility of Full Council to approve and adopt the council's Corporate Plan. However, it is appropriate and indeed normal practice, for Cabinet to formulate the final proposals in the Plan for submission to Full Council; this is reflected in the recommendation to this report.
- 5.3 Once Full Council approves and adopts the Plan, responsibility for implementation rests with Cabinet.

Lawyer Consulted: Oliver Dixon Date: 13/09/11

Equalities Implications:

- 5.4 The council's Equality and Inclusion Policy is a key accompanying document to the Corporate Plan. The Equality and Inclusion Policy guides the council's approach to equality, diversity and inclusion. It explains the council's responsibilities and duties, and sets out how the council will meet them. This includes identifying the priorities of equality groups across the city and address equality implications of the Corporate Plan.
- 5.5 In addition, data from the Place Survey and the State of the City report has been used to inform the development of the Corporate Plan and the rolling programme of equality impact assessments by teams and service units across the council.

Sustainability Implications:

- 5.6 Sustainability implications for both council operations and city outcomes have been incorporated directly into the plan in particular the priority to 'build a more sustainable city' and to create a 'council the city deserves'. These have been informed by the State of the City report and recent work by the City Sustainability Partnership on ecological foot printing, as well as on going work by council teams for example, transport, parks, waste.

Crime & Disorder Implications:

- 5.7 Crime and Disorder implications have been incorporated directly into the plan in particular the priority to 'tackle inequality' and 'involving people'. The emerging Safe in the City Strategy has also informed the development of the Corporate Plan.

Risk and Opportunity Management Implications:

- 5.8 Risks and opportunities for the council and the city have been considered during the development of the plan significantly influencing the choice of priorities, for example, social and economic implications of not tackling inequality, the benefits and opportunities of better involvement of wider range of people.

Corporate / Citywide Implications:

- 5.9 The Corporate Plan sets out the overarching priorities for the council and provides the framework for developing service level outcomes and business plans, leading to individual work plans and performance reviews. It also communicates the council's priorities to external partners and highlights how council activity supports the aims of the city's Sustainable Community Strategy.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The Corporate Plan is the only document that provides a comprehensive overview of the council's priorities for the Comprehensive Spending Review period, and how it will manage all its resources - finance, people, assets - to deliver the priorities and the indicators it will use to measure progress.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The Corporate Plan is, as determined in the council's constitution, a key document forming the council's policy framework. Therefore it is required to be recommended by Cabinet and approved by Full Council.

SUPPORTING DOCUMENTATION

Appendices:

1. Corporate Plan 2011 - 2015
2. Medium Term Financial Strategy

Documents In Members' Rooms

None

Background Documents

None

BRIGHTON & HOVE CITY COUNCIL

**CORPORATE PLAN
2011-2015**

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About This Plan

The Corporate Plan sets out Brighton & Hove City Council's strategic direction and priorities for the next four years. It describes how the council will help to deliver the vision of the city's Sustainable Community Strategy, by improving council services and through closer working with partners and residents.

This plan is in two parts:

Part One: identifies the council's corporate priorities and strategic outcomes for the next four years. It explains how these priorities have been identified and how progress will be measured.

Part Two: sets out the council's priorities for how the council itself is organised and resourced to deliver. This includes how it will manage its resources to deliver the priorities and contribute to achieving the aims of the Sustainable Community Strategy.

More detail about the activity of individual services and how they contribute to achieving the priorities of the Corporate Plan and the aims of the Sustainable Community Strategy is contained within the council's business plans.

The Council's Performance and Risk Management Framework is an important piece of the improvement jigsaw, ensuring that every member of staff has clear objectives that connect their contribution to the council's priorities. The business planning process links employee development with day-to-day tasks and service outcomes, right through to the Sustainable Community Strategy aims, providing a 'golden thread' from work by individuals to the long-term vision for the city. Identifying opportunities and mitigating against risk is an integral element of each services business plan.

Annual progress against the plan will be reported to the council's Governance Committee.

If you would like more detailed information about council services and local democracy visit:

Web: www.brighton-hove.gov.uk

Facebook: www.facebook.com/BrightonandHoveCityCouncil

Twitter: @BrightonHoveCC

FOREWORD BY COUNCILLOR BILL RANDALL LEADER OF THE COUNCIL

I am pleased to introduce Brighton & Hove City Council's Corporate Plan for 2011/15.

Over the next few years the council faces a significant reduction in funding from central government. At the same time the city is experiencing considerable social, economic and environmental challenges, many of which are illustrated in the State of the City report^[1].

To help protect front line services which support the city's most vulnerable people, we intend to raise council tax by 3.5 per cent for 2012/13. Financial pressures are affecting not just the council, but all of our partners, whether in the Public, Private or Community & Voluntary Sector. Therefore, along with our partners, local businesses, trade unions and residents, we are working to ensure public money provides value for money.

Over the next four years we will focus on **tackling inequality and working to create a fairer city**. Much has been achieved in ensuring equality of opportunity in Brighton & Hove. However, much more remains to be done. Key areas include creating jobs, improving housing standards and availability, ensuring children have the best possible start in life, improving public and social health care provision, boosting public protection, and reducing financial exclusion.

We also want to **create a more sustainable city**. Using 'One Planet Living' principles, we plan to set an example in the city by making our own operations more sustainable. Working with our partners we will take action to reduce carbon emissions, promote sustainable economic growth, improve the sustainability of our transport options, reduce the city's waste, and improve and protect the built and natural environment.

We will **engage more individuals and groups across the city** - whether they are service users, residents, members of community or voluntary groups, employees or employers, including our own staff, or trade union representatives. We want to encourage better participation in democracy, in community life, in the way we decide the future of our city. Everyone should feel pride in and responsibility for the place in which they live or work. This means ensuring genuine collaboration between the council and citizens, going much further than traditional formal meetings and procedures.

The priorities contained within this Corporate Plan are our contribution towards helping to achieve the vision for the city set out in the Sustainable Community Strategy^[2].

These are challenging times, but I believe that this should not limit our aspirations. We need to make the most of the city's resources by working more creatively and better together.

Whether you are a resident, a community member, a business owner, a trade union member, an employee of an organisation, or a visitor to Brighton & Hove, I want to hear your ideas about delivering our plan.

INTRODUCTION BY JOHN BARRADELL CHIEF EXECUTIVE

We have an ambition to become a 'Council the City Deserves' bringing the council closer to residents, businesses and visitors to achieve a stronger, healthier, thriving City. We aim to meet the need, innovate and improve the services we offer and to provide value for money in everything we do.

Improving services during a time of reducing resources and increasing demand is challenging. We have started the change to the way we work, creating an organisation providing services based on a robust understanding of our City, its people and businesses, their needs and aspirations. We have a better understanding of what works and what doesn't, and doing so within the means that we have.

It is not just about how we are organised. We need to properly recognise value and encourage the people working for the council, supporting innovation and improvement. We will do this working closely alongside our partners in the public, voluntary and community, and private sectors.

If we are to truly thrive and emerge from the current economic climate as a robust, forward-thinking and sustainable local authority we have to harness the ambition, energy and drive that powers our city.

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PART ONE

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PRIORITY ONE: TACKLING INEQUALITY

Introduction

We believe that everyone has a right to a decent home, a good education, a job that pays for a decent standard of living, good healthcare and to feel safe in their community. We also strongly believe that no one should be disadvantaged from birth due to the neighbourhood or family circumstances they are born into.

Although tackling inequality in all these areas has been a focus of national government and local councils for many years, some of our own neighbourhoods still suffer some of the highest levels of multiple deprivation in England. We recognise the negative effect that this has on people's life chances. We will take a more holistic approach to tackling these complex issues. Only by joining up a wider range of services and activities across the public, third and private sectors, and by prioritising resources for the most vulnerable people and communities can we tackle inequality.

We will work in a more joined up and creative way, so that our resources have the greatest impact possible and give the best value for money. We are keen to explore different ways to tackle these issues, which could be through co-operatives, mutuals or social enterprises. We want to continue to strengthen our involvement and work with partnerships across the city (from the Crime and Disorder Reduction Partnership, to the City Inclusion Partnership, to the Transport Partnership, to the Arts Commission) for the specialist expertise and innovation they offer, to help tackle issues of inequality.

We also know that to make our limited resources have the biggest impact it is important to ensure that this work is not short-term, and that we help to build resilience in our communities and help people feel less dependent on the state, whilst providing a safety net for the most vulnerable.

Our work to tackle inequality contributes to achieving the Sustainable Community Strategy priorities for:

- Promoting enterprise and learning
- Reducing crime and improving safety
- Improving health and well-being
- Improving housing and affordability
- Providing quality advice and information services

2011/12 Commitments

- Ensure that our children centres and nurseries are supported to provide the best start in life, having a focus on our most vulnerable families.
- Create a culture of collaboration between schools in order to raise standards, particularly in secondary schools.
- Redesign the way in which youth services are delivered to ensure young people have the opportunity to be active citizens through participating in community activities.
- Co-produce with partners a city Child Poverty Strategy to ensure a co-ordinated approach across public, private and Community & Voluntary Sectors to reducing family poverty.
- Work with the advice sector to reconfigure services to tackle financial exclusion for families and adults on low incomes, especially those subject to multiple disadvantage.
- Pay council employees a minimum living wage of £7.19 per hour and convene commission on a living wage for the city.
- Actively support the development of community networks, shared values and co-operation within communities to support vulnerable adults.
- Ensure that major planning applications and key council decisions do not have a negative impact on the health of citizens.
- Create an inclusive Health & Wellbeing Board providing strategic leadership for the city and political accountability.
- Reduce unauthorised encampments on sensitive sites by locating a new, permanent site for Gypsy and Roma Travellers.
- Start a programme to fit solar photovoltaic panels on around 1,600 council homes to help cut Carbon Dioxide emissions and reduce residents' fuel bills.
- Work with our council housing tenants, housing associations and co-operatives starting our four year '1000 homes programme', to help address the city's affordable housing shortage.
- Create a new Equalities and Inclusion Policy and Action for council to include wider social and economic inclusion

2011 – 2015 Outcomes

Children and young people have the best start in life

We want to ensure that all of our children and young people have the best possible start in life, so that everyone has the opportunity to fulfil their potential, whatever that might be, and to be happy, healthy and safe.

This means ensuring that all children and young people in the city have access to high quality education that will provide them with the knowledge and skills to secure employment and be active and responsible citizens. We will focus on raising overall attainment and narrowing the gap between the lowest and highest performing pupils. We will support all educational institutions in the city to work more collaboratively to achieve city priorities. We will continue to support healthy, creative, tolerant and high achieving schools that promote social responsibility. We will work with schools to meet the needs of children with complex needs and provide an inclusive environment.

The delivery of our schools capital programme through the council's strategic construction partnership is essential to achieve this. All our schools should provide safe, healthy environment for learning and development.

Continuing our close work with City College and other institutions, we will ensure, that for young people, choosing work-based training and skills development, the city offers a range of choices which help them compete in the local labour market. The council will lead by example through continuing its commitment to apprenticeships.

We recognise that life chances for some of our children and young people are uncertain. Growing up in poverty, often with complex home lives means some children need more help and support to recognise value and fulfil their own potential. We will continue to focus on prevention and early intervention and prioritise spend on preventing families falling into need, and helping them to get out and stay out of crisis. We will work to improve our integrated, multi-agency approach, providing holistic, tailored support especially for families where the quality of parenting is affected by adult substance or alcohol misuse, domestic violence or mental health or learning disability issues. We will continue to prioritise the safeguarding of all children and will rigorously monitor and improve safeguarding practice to protect children and young people. For vulnerable young people we will ensure they have support to make positive life choices especially young people at risk of committing crime and entering the youth justice system. Young offenders will be supported into suitable education, training or employment.

We want children and their families to be able to live as they wish; confident that services are high quality, safe and meeting children, young people's and parent carers' aspirations that life can be lived with independence, well-being, dignity and a sense of fun. To ensure this we will continue to prioritise prevention and early intervention. We will offer choice in the type of care individuals can chose to receive, offering personalisation to those that want it and appropriate support where desired to develop and build resilience amongst those who care for children and young people with additional and special needs.

We will work to reduce the number of children entering the social care system. For those who we have a corporate parenting responsibility for, we will ensure they have the highest quality of care and support and the best possible life chances. We will work towards being able to place as many children under the age of ten years old as possible with in-house foster carers. We will work closely with providers of adult care to improve our transitional support to young people, ensuring no-one falls through the gap and with housing colleagues to support care leavers to live independently.

It is important that young people have the opportunity to take part in open, informal creative activity, designed and delivered wherever possible by themselves. Therefore we will work with our youth, sport and cultural services and partners across the city to ensure all young people are able to enjoy their leisure time using it constructively and creatively. We want them to be inspired and challenged to develop a positive attitude to their education, skills and learning and their ambitions for adult life.

We will ensure that we maximise the use and impact of the Community Stadium and Brighton & Hove Albion's successful community outreach programme to engage with some of most vulnerable young people.

We will know we are making a difference if, by 2015 there is:

- Narrowing of educational attainment gap whilst improving overall attainment levels
- All our schools are judged good or outstanding by OFSTED
- Increase in the number of young people in out of school activities
- Reduction in the number of young people aged 16 – 18 who are Not in Employment Education or Training
- Reduction in the number of first time entrants to the youth justice system
- Reduction in rate of youth reoffending
- Increase in the number of young offenders in suitable education, training or employment
- Increase in take up of Disability Living Allowance and Severe Disability Allowance by working age clients with children
- Increase in stability of placements of Looked After Children
- Reduction in the rate of children who were the subject of a child protection plan per 10,000 children
- Reduction in the rate of children looked after per 10,000 children
- Reduction in the rate of children in need per 10,000
- Increase in evidence based family intervention work to better support children at risk
- Increase in the number of care leavers in education employment or training
- Reduction in percentage of children under 16 living in households in receipt of out of work benefits
- Reduction in percentage of young people reporting frequent misuse of drugs/volatile substances, alcohol or both
- Reduction in the number of teenage pregnancies

Vulnerable adults supported to live healthy, independent lives

At a time of decreasing resources we will protect services for our vulnerable residents who rely on essential care and support from the council in particular vulnerable adults, families and those on low incomes. We will retain the balance between fulfilling our statutory duties and working proactively with partners, communities and individuals to provide personalised packages of care and support that help people maintain healthy independent lives.

We want people to be able to live as they wish, confident that services are high quality, safe and serving their need for independence, well-being and dignity. To ensure this we will continue to prioritise prevention and early intervention, and offer choice in the type of care people can chose to receive, offering personalisation to those who want it and appropriate day care where desired.

We will continue to check and review our care and support services to ensure equal access for all, recognising that our services users often require a range of support. We will increase our

efforts to ensure that vulnerable adults are safe in all locations, whether in their own homes or in other settings. We will carefully vet and monitor all providers.

Helping people to maintain independence is not only about the care and support available to individuals but also about the homes people live in and the community support around them. We will make best use of council housing to help meet the needs of different service users, particularly where an individual or household needs a range of services. This includes making best use of our housing to help support the most vulnerable through schemes such as Extra Care Housing. We will continue to provide practical support to enable individuals to stay in their own homes for as long as possible. This includes ensuring that new homes meet lifetime standards.

We will prioritise our work with communities to develop low-level community support and social capital linking in with existing neighbourhood networks and activities.

We will continue to recognise the vulnerability of and inequality experienced by many individuals who provide care for other family members, especially young carers. They make an invaluable contribution to society and we recognise their support need.

We will continue our support for Community & Voluntary Sector organisations as service providers, and as advocates and voices for our most vulnerable citizens.

Also, working with our partners we will seek to ensure the environment is safe and secure. This means not only peoples homes but also the streets, roads, parks and open spaces around them. We will work with partners to ensure the city has accessible, reliable and affordable transport, that people have access to local services and high quality amenities and that the public realm is inclusive, clean, safe, and clutter-free.

We will know we are making a difference if, by 2015 there is:

- Increase in the proportion of people taking up self-direct support
- Increase in the percentage of people supported to live independently through social services
- Increase in the percentage of people receiving Supporting People services who have established or are maintaining independent living
- Increase in the number of carers receiving needs assessment or review and specific carers service or advice and information

Decent, affordable, healthy housing

We will work more creatively with a wider range of partners (Brighton & Hove Seaside Community Homes, housing cooperatives, housing associations and private sector landlords) to help residents find secure, affordable, high quality housing and prevent homelessness. We will continue the council's commitment to improve the quality of existing council homes, including the quality of our repair and maintenance service.

Like many cities, thousands of people are unable to access the housing they need, either to rent or buy. Demand for council and housing association homes far outweighs supply, as does the availability of appropriate and good quality private sector housing.

Tackling this demands multiple actions including identifying opportunities to build homes on council land and bringing empty properties in the private sector back into use quickly and efficiently. We will also work with private landlords and the universities to improve standards of properties and establish an ethical lettings agency.

We are committed to improving the energy efficiency of the city's housing stock across all tenures, reducing the cost of living at a time when energy prices continue to rise. We will help individuals to access affordable finance to install energy efficiency measures, especially people on low incomes. This will help tackle fuel poverty and contribute to reducing the city's Carbon Dioxide emissions.

Of great importance is vigilance to the risk of homelessness that many of our residents face in these financially challenging times. We will continue to work with partners to help those who find themselves at risk of homelessness. For those who do, we will minimise the disruption, especially for families and young people, helping them into secure, affordable decent housing as swiftly as possible.

We will know we are making a difference if, by 2015 there is:

- Increase in the number of council homes meeting Decent Homes Standard
- Increase in the supply of ready to develop housing sites
- 10% of all new affordable housing meet wheelchair standard
- 155 empty homes brought back into use per year
- Reduction in the number of people living in fuel poverty¹
- Increase in the energy efficiency of local authority owned homes
- Increase in the number of households where homelessness was prevented due to casework by the council'

Reduce health inequalities and long standing public health issues

Life expectancy should not be determined by wealth or postcode. Poor housing, poverty, poor diet, air pollution and unemployment are but some of the pillars of health inequality. The major contributors to ill health and premature death (among them alcohol and drug abuse, smoking, obesity) buttress this health inequality, particularly in the more deprived areas of the city. All council services should then be contributing to a healthier city and a reduction in inequalities through initiatives on housing, employment and education as well as promoting a healthier lifestyle.

Working with partners, we will focus on supporting people's health and wellbeing – both physical and mental health - as well as creating a healthier environment. This will include promoting the healthy schools initiative and reducing bullying; improving thermal quality of new and existing homes; establishing a core network of safe cycle routes in the city; improving public spaces and firm but fair enforcement of environmental health and licensing standards.

We will increase the impact of our partnership working to tackle the causes and symptoms of alcohol abuse, and seek to strike the right balance between recognising the economic value of our night-time economy with the need to protect the health and safety of visitors and residents. We will undertake a licensing review and maximise any new powers gained through the Localism Bill to manage the availability of alcohol. We will continue our focus on tackling alcohol-related crime and disorder, and with the NHS, on providing high quality and accessible treatment services.

¹ Indicator currently under review by National Government

We will deliver the Health Protection Action Plan to reduce the misuse of substances, and of related crimes and anti-social behaviour, and help individuals access and complete treatment programmes.

We will continue with high profile enforcement of food and health and safety rules, maintaining our excellent record of environmental health improvements.

Planned reforms to the NHS will see the return of public health responsibilities to the council. We will establish an inclusive Health and Wellbeing Board providing strategic leadership for the city and political accountability. We will work closely with NHS colleagues in the emerging Clinical Commissioning Group to tackle these problems together.

We will know we are making a difference if, by 2015 there is:

- Reduction in differences of life expectancy between communities. This is to be measured by a slope index of inequality in life expectancy, separately for men and women (Healthy Life Expectancy);
- Reduction in the number of alcohol-related hospital admissions and alcohol-related deaths;
- Reduction in the rate of drug-related deaths;
- Increase in the number of drug users who complete 'effective treatment' and become drug free

Access to quality employment with wages that pay for a decent standard of living

Being without work is one of the greatest inequalities, and supporting local companies and small businesses is a key priority. We have had a strong economy buoyed by a healthy entrepreneurial spirit and a high number of businesses per person in the city. We will continue to enable business support activity and improve the use of council assets, empty shops and offices, bringing them into use as work workspace for small and medium sized businesses.

We will continue to play our role with city partners to sustain and create jobs. We will focus on existing economic strengths (tourism, retail, culture, digital, media and creative industries) whilst encouraging diversification, for example into the growing environmental products and services sector. We will develop an 'investment prospectus' for the city and a new sustainable economic strategy, as well as ensuring that all school leavers are equipped to enter training, employment or to continue their education at a higher level. We will continue to work with employers to develop and widen local training and development programmes, ensuring the skills of our workforce match those which are needed for the economy.

Some people in the city have difficulty getting work, due to poor mental health or lack of skills. Working with our partners we will support these individuals into employment. As part of our community learning programme we will increase access to learning for adults. For others, access to work or training is blocked by the lack of flexible and affordable childcare. We will ensure that support for childcare is targeted on the most disadvantaged children.

Working as a member of the Advice Partnership we will take action to promote financial inclusion. This means we will help to ensure that households have enough resources to meet basic need adequately and to be able to make choices over a prolonged period to maintain physical and mental wellbeing and participate in community life.

We will support the Community & Voluntary Sector by using and promoting their services, recognising its economic and social value to the city.

We will know we are making a difference if, by 2015 there is:

- Increase in the percentage of adults with learning disabilities known to the council in paid employment
- Increase in the percentage of adults receiving secondary mental health services who are in paid employment, self-employment or supported employment
- Increase in the percentage of the population qualified to at least Level 2,3 and 4
- Increase in the take-up of formal childcare by low income working families

Culture and leisure opportunities for all

The city has a reputation as a cultural leader. Our arts, culture and heritage offer is central to the city's economic health. For residents, of all ages, access to arts and cultural activities can change lives, improving individuals' skills for employment and life chances, broadening horizons and promoting understanding of ourselves and others. Although a relatively high percentage of the population take advantage of the city's arts, cultural and heritage opportunities more can and will be done to encourage those who don't. We will use significant national and regional events, such as the 2012 Olympic and Para-Olympic Games, to build and promote inspiring programmes of activity that encourage more residents to get involved in art, culture and sport.

We will continue to support cultural events and organisations that seek to engage all sections of our community and promote more sustainable, accessible, affordable or free activities, such as the huge range of festivals happening across our neighbourhoods. Partnership working with the Community & Voluntary Sector is critical to our cultural success. We will promote and preserve our unique heritage sites and buildings, ensuring patronage and appreciation by residents and visitors alike. We want all residents to share in the life of the city.

We will know we are making a difference if, by 2015 there is:

- Increase in the percentage of the adult population that has engaged in the arts at least three times in the past 12 months
- Increase in adult participation in sport and active recreation
- Increase in the percentage of the adult population who have attended a museum at least once in the last 12 months

Cohesive and safe communities

Our city has an international reputation as an open, fair and cohesive place. This has not come about by chance but has been developed through partnership working between the public, private and community and voluntary sectors. Together we aspire to stamp out discrimination, hate crime and domestic and sexual violence and improve support for those who have been subjected to it.

Law and enforcement have an important part to play in pursuing this goal, but equally we must capitalise on the creative and cultural expertise in the city using new ways of raising awareness, eradicating fear of reporting and tackling prejudice and intolerable behaviour.

The council will lead by example. We will strengthen our already strong equality commitments and ensure full compliance with our Equality Impact Assessment policy. This means our services

are provided in an accessible and responsive way to our diverse communities and that all decision making fully considers the potential impact on all equality groups.

We continue to prioritise work that helps us to understand the city's communities, and supports organisations and communities to appreciate and value the diversity of people's backgrounds. We will support and promote stronger, more positive relationships between and within different communities using our community buildings, such as our libraries.

The city has effective partnership working in community safety and through our constant drive to deliver a more effective and integrated system, bringing down crime rates, tackling anti-social behaviour and making the city feel safer. However, there is always more that could and should be done, including ever closer working between organisations, communities and residents. We will continue to play a strong active role in the city's Community Safety Partnership, supporting the delivery of the new Safe in the City Strategy 2011-2014.

We will know we are making a difference if, by 2015 there is:

- Increase in the percentage of people who believe that people from different backgrounds get on well together in their local area
- Increase in the percentage of people who think that not treating one another with respect and consideration is a problem in their area
- Increase in the percentage of people feeling safe in the daytime and after dark in their local area
- Reduction in levels of domestic violence²
- Reduction in racist and religiously motivated hate incidents and crimes³
- Reduction in disability motivated hate incidents and crimes⁴
- Reduction in LGBT motivated hate incidents and crimes⁵

² Indicator often increases as a result in efforts to increase reporting of these crime

³ Indicator often increases as a result in efforts to increase reporting of these crime

⁴ Indicator often increases as a result in efforts to increase reporting of these crime

⁵ Indicator often increases as a result in efforts to increase reporting of these crime

PRIORITY TWO: CREATING A MORE SUSTAINABLE CITY

Introduction

Creating a more sustainable city means protecting and enhancing the environment, meeting social needs and promoting economic success.

We will be using the One Planet Living⁶ Framework to guide our actions toward a more sustainable city. The One Planet Living approach to sustainability was developed by Bioregional and WWF to help people and organisations live and work within a fair share of our planets resources.

Research shows that in order to achieve this we need to work on reducing our ecological footprint, with particular focus on carbon emissions, transport, food, waste and the materials we use. So, for example, we need to rethink how we create and use energy, how we move our goods and ourselves around the city, and how waste and materials are produced, used and disposed of. We are also committed to continuing our work to promote a Fair-trade city.

Creating a more sustainable city is not just about protecting the environment but supporting new industries within a resilient economy. Brighton & Hove is a city with a reputation for innovation and, with businesses; we would like to create a low carbon city, taking advantage of opportunities for real change such as the proposed 'Rampion' offshore wind farm. With partners we will produce a new Economic Strategy for sustainable growth.

We want to develop the next phase of our economy, becoming a UK leader in eco-tourism. The tourism sector provides 17,000 jobs in the city with an economic value of £700million. We will provide public leadership to promote collaboration between key business sectors to generate growth and create new jobs. Many businesses that locate here are attracted not only by the economic opportunities, but also by the quality of the local workforce and the quality of life.

We will encourage regeneration and new investment in the city through the development of an investment prospectus and by redrafting the Core Strategy to create a 'City Plan' with sustainability at its centre. We will also set new standards to ensure development is more sustainable. For example, we will be the first council in England to adopt Supplementary Planning Document providing guidance on food growing in new developments.

Achieving UN Biosphere Reserve⁷ status will be a major focus. This means working towards making Brighton & Hove a high quality natural environment where a balanced relationship exists between people and nature. We will continue to work to create a better urban environment, fostering pride in the communities in which we live, and to protect and make the most of all open space in the city, creating a stronger link between the sea and the South Downs.

As well as preparing economically for the future, the city must also adapt to the impacts of climate change. For example, the severe winters that we have experienced in recent years affect critical services, such as delivering food, medicine and personal care to the most vulnerable people. The city's Climate Change Strategy⁸ will provide the strategic framework to promote significant reduction in carbon emissions and help us to prepare for the effects of

⁶ One Planet Living is a jointly owned trademark of BioRegional Development Group and WWF International, www.oneplanetliving.org

⁷ Official recognition by UNESCO of an area that promotes sustainable development based on local community efforts and sound science.

⁸ To be published in December 2011

climate change. Our position on the coast and the potential for flooding and coastal erosion means that homes, buildings, and infrastructure require protection.

We will capitalise on significant national and regional events, such as the London 2012 Olympic and Paralympic Games, to promote the city as a place to visit. We will also use the enthusiasm that surrounds such events to encourage residents to get involved in the cultural and leisure opportunities of the city

Key to creating a sustainable city is the strength and commitment of our city partnerships. The City Sustainability Partnership is critical to spearheading the new changes as well as other partnerships, such as those for Housing, Transport, Economic and Food, who are fundamental to delivery.

Our work to build a more sustainable city contributes to achieving the Sustainable Community Strategy priorities for:

- Promoting enterprise and learning
- Living within environmental limits and enhancing the environment
- Providing sustainable transport

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2011/12 Commitments

- Redraft the Core Strategy to support the new corporate priorities and outcomes, in particular sustainable transport and housing delivery
- With the business community create a new Economic Strategy, a blueprint for sustainable economic growth, and publish an investment prospectus
- Launch the city's first eco-tourism strategy
- Produce the city's Climate Change Strategy for developing a low carbon city that is adapting well to climate change
- Offer greater choice in how people move about the city, prioritising action in the new Local Transport Plan to support a fairer balance between all road users.
- Begin establishing a coordinated programme of 20 mile per hour speed limits in consultation with residents
- Review the effectiveness and impact of current parking schemes on the city, for residents, businesses and visitors
- Increase and make safer cycling routes in the city such as Old Shoreham Road and improvements to existing The Drive/Grand Avenue lane
- Review the Municipal Waste Strategy and develop plans for a food waste collection and communal recycling trials, and implement a community composting scheme
- Reduce the council's ecological footprint by installing solar photovoltaic panels on schools and council buildings, setting tough targets and working towards One Planet Living endorsement
- Develop a 'carbon budget' for the council to be reported alongside the financial budget, providing accountability in our carbon emissions from 2012/13

2011-2015 Outcomes

A strong and low carbon economy

Thanks, in large part, to Brighton & Hove's reputation, growth and innovation the city has not been as hard hit as some areas of the UK by the recession. But the economy is still fragile and we must not be complacent. We want to help forge economic recovery by working with businesses, both major employers and new and start-up companies, to help weather the downturn and take advantage of new opportunities as they arise. Together we will develop a new Economic Strategy for the city that will deliver sustainable growth and job creation.

The city's economy benefits greatly from tourism (particularly UK visitors but increasingly from Europe) attracted by the wonderful historic architecture, the unique shopping experience, the city's inclusivity and its cultural and entertainment offer. While this is important to the future of the city, we have arguably not promoted one of our best assets, the South Downs. We will work to become one of the UK's leading destinations for eco-tourism, reflecting the growing maturity of the city as a tourist destination. We will continue to capitalise and support the uniqueness of our seafront whilst creating a stronger visitor experience between the city and the South Downs.

Working closely with the business community we will focus on developing a low carbon economy, improving the city's environmental performance, reputation and inward investment offer. We will seek to capitalise on the growing environmental industries and services sector and focus on supporting and growing the city sectors and clusters that support the UK transition to a low carbon future, including our creative, digital and technological businesses.

The creative industries are not the largest sector of our economy but they are the fastest growing and we can learn from their success, particularly how they communicate effectively with each other through networks such as 'Wired Sussex'. Small businesses (those of fewer than 10 people) account for the majority of employers in the city. Small and start up companies need suitable and affordable workspace if they are to establish, thrive and importantly to remain here.

The source of our food and disposal of food waste is an issue for both residents and visitors alike. The food industry plays an important role within our tourism economy and we will focus on working closer with the industry, including its supply chain, to improve sustainability standards whilst promoting growth.

Forging ever stronger links between the council, the two Universities, the Teaching Hospital and the business sector is paramount. Many of the departments are leaders in their field and we will enable greater interaction between business and academia.

The city remains one of the UK's leading conference destinations. The council has long been a host and beneficiary through the Brighton Centre. Unfortunately, our plan to rebuild the Brighton Centre, to provide state of the art facilities and maintain the viability of the city as a conference destination, has been stalled by the recession. We will invest in the current building to reduce its carbon footprint, through improved environmental management and through plans we draw up for its future.

We will know we are making a difference if, by 2015 there is:

- Reduction in the percentage of the working age population claiming out of work benefits
- Increase in the percentage of small businesses showing a year on year increase in number of employees

- Increase in the number of new business registration for VAT and PAYE per 10,000 resident population aged 16 years old and over
- Growth in number of digital media businesses
- Growth of the environmental industries sector⁹
- Increase the number of businesses relocating to the city
- Increase the number of tourism businesses that have green accreditation
- Increase conference income
- Reduction Carbon Dioxide emissions per capita (domestic, industrial, commercial and road transport)
- Increase in the number of carbon reduction commitment registered businesses

A fair balance between the needs of pedestrians and cyclists, public transport users and motorists

The council has achieved recognition as Transport Authority of the Year for demonstrating excellence, innovation and progress. We want to do more and become an exemplar in transport policy and practice.

Road vehicles are the greatest contributing factor to poor air quality in Brighton & Hove. Traffic also has a detrimental effect on the quality of life of residents and the perception of the city as a safe and accessible place. Working with transport providers we intend to improve choice, making cycling and walking a safer and more pleasant experience and public transport an increasingly convenient and effective alternative to personal car use.

The number of residents who cycle to work in the city is in line with the national average. Whilst good, as an official Cycling Demonstration Town and more recently a 'Cycling Town City' we should be doing better. We will use good practice to encourage more people to be confident and safe when moving about the city, with sufficient and secure cycle parking.

We will undertake a review of parking schemes in the city to ensure a fair balance between the needs of residents, businesses and visitors. We will also work to improve the visitor experience of getting in and around the city, including as part of our eco-tourism strategy getting to and from the South Downs.

We want our children to be safe on the roads and have a viable alternative to being driven to school in a car. We will work with governing bodies to revise travel plans for all our schools to ensure they focus on improving the health of our children, through increased walking and improved air quality. This will also serve to reduce the number of car journeys, reducing congestion in neighbourhoods and the risk of road traffic accidents.

We will know we are making a difference if, by 2015 there is:

- Increase in the number and proportion of cycle trips
- Increase in cycle parking across the city
- Increase in bus patronage originating in the local authority area
- A higher proportion of access to employment by public transport
- Increase in the percentage of bus services running on time
- Reduction in airborne particulates and nitrous oxide in local authority area
- Reduction in Carbon Dioxide emissions per person in the local authority area

⁹ Indicator under development by BHCC Economic Development & Enterprise

- Reduction in the number of adults and children killed or seriously injured in road traffic accidents

A low waste city

We want to ensure that, working with residents, businesses and partners, we minimise the total amount of waste produced, and maximise reuse and recycling of the remaining waste.

Over the last few years, whilst domestic waste levels have been declining, recycling levels in the city have been static. Whilst, education remains important in order to encourage more people to reduce, reuse or recycle waste to increase recycling we need to relook at the services we provide. We will be planning food waste collection and communal recycling trials and community composting schemes. Residents will be involved in designing these schemes to see what works best, is affordable and can be rolled out across the city.

Domestic waste is only a part of the overall picture. Construction and commercial waste makes up a significant amount of the waste produced in the city. We already work with the business community to encourage recycling and we will investigate the feasibility of providing a commercial collection.

We will know we are making a difference if, by 2015 there is:

- Decrease in overall levels of domestic waste produced in the city
- Increase in the percentage of domestic waste recycled and composted
- Decrease in the percentage of domestic waste sent to land fill

A healthier and higher quality built environment

Despite the recession, the city is growing. In 2010/11 the planning application rate in the city was at the highest level for the last five years. Some major developments have been delayed but, at the same time, a community stadium had been built and re-development of the Open Market is underway.

The council is responsible for ensuring that all planning applications within the city comply with planning policies laid out in the Core Strategy and national planning guidance. We will push for high quality, sustainable new buildings and new housing within the city by producing our own guidance on minimum design standards. The success of One Brighton¹⁰ demonstrates that sensitive and sustainable regeneration of sites can be achieved and is economically viable.

We are revising the Core Strategy to plan for a resilient and sustainable city over the next 20 years, as well as to protect employment and green space, and push for new housing. We are working with housing cooperatives and social landlords within the city to find sites for 1000 new homes over the next four years. We will continue to identify space for new housing on all council owned housing estates within the city. We must plan and use the limited space that we have for effective, efficient and sustainable growth.

¹⁰ One Brighton is one of the country's first environmentally and socially sustainable 'One Plant Living' communities.

We will look at how we use and manage our assets, at underused or empty council owned buildings and land, to create new and affordable workspace. We will make it easy for businesses and communities alike to see what and where we own buildings and land.

We are responsible for maintaining and developing the 'public realm' ensuring it is safe, clean and accessible for all users. This includes many of the city's roads, public spaces and council housing land. The council provides essential services such as street lighting and signage, and other facilities like benches and public toilets as well as street trees. Working with businesses and residents we will explore how to improve the quality and cleanliness of the public realm, the environmental impact of these services, while reducing costs.

The built environment affects the perception of the city as a safe and welcoming place – both for those who live and work here, and for those who visit. New Road is a model of good practice, balancing the needs of different road users and becoming a community space, and we will seek to make this happen in other parts of the city. We will continue to improve and enhance the public realm and work with community groups, across the city, to preserve our architectural heritage.

As the density of the city increases, demand and use of parks and open spaces escalates. The city is very fortunate to have an extensive estate of urban gardens, parks and squares and we will continue work to ensure they are attractive, inclusive, safe, clean and support wildlife. For example the council has submitted a £2 million bid to the Heritage Lottery Fund for The Level. Many of our parks and spaces benefit from the support of local communities and all play a key part in supporting the health and well being of our residents. The majority of our open spaces have a long heritage and when we seek to improve or adapt them we will always consult with the widest range of users possible to ensure those plans fit need.

Demand for allotments is high and increasing. The benefits of 'growing your own', working on the land and enjoying the exercise is increasingly popular. We have a range of sites across the city, the majority of which are over-subscribed and well managed. We will encourage their use and seek to increase their availability as well as explore new community growing spaces.

We will know we are making a difference if, by 2015 there is:

- Consistent high level of user satisfaction of council parks
- Increase in the proportion of approved planning applications for new build (residential) development committing to high standards of environmental design
- Reduction in the number of conservation areas at risk
- Reduction in the number of listed buildings at risk
- Reduction in complaints regarding appearance of sites/buildings
- Increase in the number of allotment plots available and reduction in the number of residents awaiting a plot

Protection and enhancement of the city's natural environment

Brighton & Hove's close mix of natural and built environments is unique in many ways, and we want to ensure that the city is and remains a rewarding place for residents, businesses and visitors alike. We will foster a mutual relationship between the urban environment and nature, encouraging people to interact with and conserve natural habitats and wildlife wherever they are. Using our own assets we will preserve and increase biodiversity, including reinvigorating the Downland Initiative.

We will work to achieve UN Biosphere Reserve status. Designation as a Reserve would attract resources to find new ways of addressing the economic and environmental issues facing the city. Research shows that this status attracts economic investment.

Part of the work on Biosphere Status includes ensuring access and raising awareness of the great range of environments on our doorstep to enjoy. We want to instil a culture where children and young people from all neighbourhoods within the city enjoy the opportunities and the health benefits that open space affords. Education about our environment, for children and adults alike, is crucial and our schools have an important role to play.

We will maximise the opportunities our city location provides. With only 2 miles between sea and South Downs at the shortest point we want to become renowned as an eco-tourism destination, surpassing our traditional reputation as a 'London-by-the-sea'. We will take full advantage of having a new National Park on our doorstep, and work with partners to reclaim the city's two blue flag awards.

With partners, we will take action to protect the city's water supply with our focus being on preventing pollutants in the groundwater, minimising the loss of clean water at source and reducing water demand. We will take advantage of the pilot study under way in the catchment area of the Adur and Ouse rivers.

We will know we are making a difference if, by 2015 there is:

- Maintain the condition of city's two Sites of Special Scientific Interest
- Improvement in groundwater status

Dignified and decent treatment of animals

The council is a significant owner of open land surrounding the city, much of which is leased and used for farming. We commit to help protect wildlife on all of the land that we own, tenanted or not, and to manage the impact of human activity on natural habitats and prevent persecution of animals in the wild.

We will continue to use our influence in relation to circus animals and those in captivity, seeking to promote and improve the rights of all creatures. This includes the rights of domesticated animals, whose welfare and quality of life we will seek to protect. In respect of livestock we seek to ensure the most rigorous health and safety standards and that humane practices are applied.

We will continue to provide advice and support to residents and businesses to prevent circumstances where animals pose a risk to public health from arising. Where we do intervene we will ensure that we do so humanely, with minimum distress caused to animals.

We will know we are making a difference if, by 2015 there is:

- Continue to meet the standards for the control system for animal health

PRIORITY THREE: ENGAGING PEOPLE WHO LIVE & WORK IN THE CITY

Introduction

The council does not and should not work in isolation. We value engagement and are committed to continuous improvement. From how we provide information about the council – how it is run, the services we provide – to opportunities for residents, community and voluntary groups and businesses to influence and take decisions.

Not only do we want people to feel they can talk to the council and be heard, but we want them to be actively involved. We will collaborate with individuals and communities – including the business community – to find out how we best meet their needs, tackle issues and create a city that we are all equally responsible for and proud to live, work and socialise in.

We want to build stronger, healthier, more active and productive relationships between the council and people who live and work in the city. We will provide more opportunities for co-production and invest in building social capital and promoting volunteering. Involving and working as equal partners with citizens and communities is how we do business. It will be key to the success of the UN Biosphere Reserve, the city parking review, and tackling health inequalities.

Right now, the reality is that, like many other authorities, we struggle to truly reach and engage all sections of the community. Some of our structures and processes are overly staid and formal, public but poorly attended, without the flexibility and responsiveness to allow a conversation with communities on their own terms. Some, though, work well and we must make this the rule and not the exception.

We recognise the recent phenomenon of social media as an easy and immediate way to talk, share and also to campaign. We have responded – improving how the council can be lobbied through online petitions and now residents can make an enquiry through Twitter. But we must keep pace and innovate, drawing on the expertise that exists here in the city – creative people and creative organisations – to help us find new ways to engage.

We will actively work to strengthen local democracy and improve the quality of democratic conversation in the city. In the current climate of decreasing resources and the need to prioritise spending, improved engagement is not only an ideal but a necessity. We must ensure that spending is directed to the right place at the right time for the right purpose. Therefore we must strengthen and bring together both the role of political debate and decision taking with civic discussion and accountability; providing support and building capacity of citizens and communities to participate.

Key to improving council engagement activity is our involvement in the Stronger Communities Partnership. Working as a collective of public sector and community and voluntary sector partners the Partnership is responsible for driving up the quality of community engagement in the city, in particular ensuring statutory and community and voluntary organisations meet the standards for engagement as set out in the city's Community Engagement Framework. The Partnership is also taking forward actions to develop the capacity for organisations and communities to carry out high quality engagement. The Framework was approved by the Brighton & Hove Strategic Partnership in 2009 and the Stronger Communities Partnership is currently updating the Framework actions, with the council's full support.

Our actions to improve the involvement of all individuals and communities support the Sustainable Community Strategy priority of 'strengthening communities and involving people'.

2011/12 Commitments

- Improve the council's online offer to residents by expanding the range of fully web-enabled transactions and make progress towards a website that can be personalised by the customer
- Support residents to self-serve and access services more locally by widening the Council Connect services to more locations and venues across the city
- Work with communities to provide them with the power to directly influence services in their neighbourhood by piloting new approaches for neighbourhood governance
- Work with private sector and community and voluntary sector partners, and members of the community to trial new ways of bringing community forums and online forums together
- Explore how, through Scrutiny, we can improve the council's engagement with council housing tenants
- Remove restrictive terms and conditions from the council's online planning and licensing application registers and meeting webcast system.
- Ensure school governing bodies are supported to engage with the council's priorities
- Have an open budget book
- Most inclusive budget setting process to date for 2012/13 budget

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2011 – 2015 Outcomes

A council that is easy to contact and demonstrates that it listens to residents

The council's 'Customer Promise' says that the council will be easier to reach, clear and respectful, and listen and act. We will continue to embed this promise across all parts of council.

We have signed up to an open data approach, but recognise that not everyone can access or wants this. We will provide information in the most appropriate format with the option of full data sets where available. We will continue to respond to where the majority of citizens go to for information and to communicate; we will review and improve our communications focusing on improving our website and using social media to its maximum effect.

We are committed to ensuring that people have the opportunity to be part of and influence service reviews and redesign. This includes providing them with support and building their capacity to participate. Individuals and communities know what works and what doesn't and can help us ensure public funding makes maximum impact. 2011 will see the most in-depth budget consultation the council has undertaken, and which we will build on every year.

Following a consultation by our libraries staff with over 2,300 customers, feedback has been taken directly on board and resulted in changes that will be rolled out across all libraries. This will improve the effectiveness of libraries in their traditional function as a provider of books but also strengthen their role as community hubs, with new IT facilities, toys for children, refreshments and study space.

As a local authority with over 12,000 council housing tenancies, we are committed to ensuring that all tenants' voices are heard. We will offer a wider choice in how they communicate with us, going further than formal structures.

Our commitment to enabling young people to have an active role in the services that affect their lives and the communities and the city they live is unwavering.

We will know we are making a difference if, by 2015 there is:

- Increase in customer satisfaction levels

Resilient and Vibrant Community & Voluntary Sector

We recognise the significant value and benefit that the Community & Voluntary Sector provides to our city. We are fortunate to have a thriving Community & Voluntary Sector, with over 1,600 active organisations from small community-based grass roots organisations to branches of large national charities to locally grown social enterprises. As well as being key service providers and service users advocates the Sector plays a significant role in facilitating and increasing volunteering in the city. There are 19,200 volunteer positions in Brighton & Hove, giving 57,600 hours per week. If volunteers were paid the same rate as workers in the Community & Voluntary Sector their annual salary bill would be worth £24 million - a huge donation of time and effort.

We will work, in partnership with community and voluntary sector staff, volunteers and Trustees, to ensure the Sector's resilience and effectiveness through these financially challenging times. The Sector plays a key role as advocate and conduit for some of our most vulnerable citizens and communities. Its participation in the city's decision making structures including the council's

is a key strength of the city engagement picture. We will continue to support its role in decision making and the review, design and delivery of council and city services.

We will know we are making a difference if, by 2015 there is:

- Increase in percentage of Community & Voluntary Sector organisations that feel positive or very positive about how local statutory bodies influence their organisation.
- Increase in percentage of people who take part in formal volunteering

Improved collaboration between the council and communities

We are committed to the principles of community development and actively building the capacity of communities to find solutions for themselves, which may or may not involve public bodies. We want to turn public services inside out and rediscover the human resources within our communities and harness their social networks and activism that will make public service activity more successful and sustainable. We recognise that 'community' is a highly mobile term and that individuals can relate to several different communities at the same time – geography, interest, identity and we should be sensitive to this when carrying out any type of engagement activity.

Key to more successful collaboration with communities is a more co-ordinated and joined up approach by public bodies and our ability to use and build on engagement routes and activity that already exists. We will continue to strengthen our joint work with communities and Sussex Police on neighbourhood policing and environmental improvements.

We will start with exploring the risks and opportunities that neighbourhood plans, as proposed under in the Localism Bill, might have for neighbourhoods.

We will reinvigorate our policy on community asset transfer to ensure we are using council assets to support and encourage community activism, working in partnership with communities to reduce risk and ensure sustainable benefit.

We will know we are making a difference if, by 2015 there is:

- Increase in percentage of people who feel that they belong to their local neighbourhood
- Increase in percentage of people participating in decision making groups that affect their area

Improved council engagement with businesses

Much our focus, quite rightly, is on engaging and working with individuals as residents and service users, and with communities. In the current financial climate we will increase our focus and quality of engagement with businesses. Through continual improvement in our understanding of and collaboration with the business community we can ensure we have a robust strategy for sustainable economic growth.

We will know we are making a difference if, by 2015 there is:

- Increase in number of businesses represented and involved in council and city planning and decision making

A more open and transparent council

The council is a politically and democratically led organisation and elected members represent citizens of the city. We will take action to make it easier to be involved with the decision-making processes of the council. We will promote the role of scrutiny and encourage people to participate in scrutiny reviews. We will review the current decision making structure and see where improvements can be made, taking advantage of national Government's proposals in the Localism Bill including neighbourhood planning, neighbourhood councils, and the option to reinstate committee style decision making.

We will use open data formats and licensing for the publication of council information, reports, data and media. We are proud of the 2011 State of the City which, for the first time, provides an easy to digest statistical view of city, backed by raw data available to the public.

Importantly, we will ensure that we meet the duty of the Equality Act (2010) that 'the public and voluntary and community sector organisations have the opportunity to review published council data before public bodies set their equality objectives in April'. We must give people two clear months in which to review the data.

National government has abolished many of the external auditors of the council however we remain committed to being locally accountable and therefore will, annually publish an update on the city performance plan as well the council's organisational health report.

We will know we are making a difference if, by 2015 there is:

- Increase in the number of petitions submitted to council
- Increase in webcast views of council and cabinet meetings
- Increase in the number of public questions and letters to Council and Cabinet meetings
- Increase in the percentage of people who feel they can influence decisions in their locality

PART TWO

A RESPONSIBLE AND EMPOWERING EMPLOYER

Introduction

We value the contribution made by all colleagues within the organisation and our partners across the City who together seek to plan and deliver the best possible services to the residents of Brighton and Hove. When the economy is challenging and resources are stretched we understand the additional burdens that are placed on our colleagues. In these times we rely them even more to continue to perform consistently well and to give their best.

Some of values that staff portray and that are important to us as an employer include:

- Fairness and equality
- Respect, openness and trust
- Openness to innovation and change
- Sustainability and continuous improvement

In summer 2011, as part of developing the council's 'People Strategy', we engaged colleagues in a conversation on four themes: our changing environment, our changing culture, the quality of our working lives and organisational effectiveness.

By listening to what people tell us, looking at the facts and figures and considering the transformation with which we are currently engaged, the new strategy will describe the climate and conditions we need for us to continue to thrive as an organisation.

The People Strategy will:

- Support the delivery of this Corporate Plan
- Ensure that our organisation internally reflects our aspirations and ambitions for the city
- Create a new strategic framework for employment, behaviours, performance, management and development

We will be refining our Performance & Risk Management Framework and undertaking an in-depth review of the way we manage learning and development to ensure they support the People Strategy. Both will also be closely linked to make sure that we focus our learning and development resources on the needs of the organisation as a whole.

In April 2011 we introduced a new strategy for improving attendance at work. This strategy places greater emphasis on early intervention and problem solving and is supported by early referrals to occupational health services and regular monitoring for evidence of the negative effects of stress. We plan to assess regularly the impact of the new strategy with a view to improving the level of attendance across the organisation.

Local Government has and will most likely continue to experience constant change; therefore we will strengthen how we manage change and support people. We will develop a new Change Management Strategy that will improve internal communication and ensure the right learning and development opportunities are in place. We also realise the importance of strong Human Resource support for managers and colleagues during change and will be reviewing and ensuring that what we have in place is appropriate.

We will also build flexibility into our approach to job roles and descriptions, providing staff and managers with sufficient clarity to understand, communicate and manage their work whilst giving them and the organisation sufficient flexibility to respond to the constantly changing demands on local authority services. This along with our commitment to limit any new recruitment, offer schemes for voluntary severance where possible and support re-training and redeployment will help us to try and avoid compulsory redundancies and retain the skills, knowledge and capability we require.

2011/12 Commitments

- To listen and reflect the views of colleagues, partners and Trade Unions in the development of the People Strategy
- Collaborate with colleagues in implementing the People Strategy turning organisational aspirations into action
- Continue to promote equality of opportunity through the refresh of our Equality and Inclusion Policy.
- Introduce a new policy to promote Dignity at Work
- Implement a new policy for the management of attendance
- Provide a minimum Living Wage for employees of the council
- Through careful workforce planning, continue to take action to reduce the need for compulsory redundancies
- Help the organisation maintain its status and recognition as an 'Investor in People'
- Deliver, in partnership, a successful city-wide community engagement learning programme
- Complete the council's bi-annual staff survey
- Refresh our procedure for individual performance management

We will know we are making a difference if, by 2015 there is:

- Increase in overall staff satisfaction
- Decrease in percentage of employees responding that they have experienced discrimination or harassment or bullying in the last 12 months
- Increase in percentage of employees who declare that they have a disability as a percentage of the total workforce (non-schools)
- Increase in percentage of employees who declare that they are from an ethnic minority as a percentage of the total workforce (non-schools)
- Decrease in number of working days/shifts lost due to sickness absence (non-schools)
- Increase in the number of staff receiving individual performance reviews

A COUNCIL THE CITY DESERVES - OUR TRANSFORMATION PROGRAMME

Introduction

The Council has set out a transformation programme to meet the challenges of the next few years and develop a 'Council the City deserves'. This programme continues to form the foundation of the changes we are introducing, and will develop and evolve to help us meet new challenges and take advantage of opportunities as they arise. These include, reducing public sector budgets, increasing demographic pressures and rising customer expectations, all of which means we will need to do a lot more with much less. We need to provide value for money.

We need to develop a better understanding of the needs of the City, give our citizens a real say in what services we provide and be innovative in how we provide those services, using the expertise of our staff to design new ways of working.

If we are to create a more sustainable city then the council needs to lead by example, reducing its environmental impact, through adopting One Planet Living Principles. We will embed these principles throughout the work of the council and, where appropriate, through our procurement practices. Our areas of focus will include:

- Making buildings more energy efficient and using renewable energy solutions where appropriate
- Developing more sustainable transport options for our services and staff
- Reducing the amount of waste we produce, and increasing its reuse and recycling where possible
- Working with suppliers and contractors to reduce the environmental impact of goods and services we purchase
- Using water more efficiently in our buildings
- Protecting biodiversity and creating new spaces for wildlife
- Continuing our support for a Fair Trade City
- Strengthening and extending our environmental management system

Working in partnership with public and community and voluntary sector organisations provides us with the opportunity to maximise all public funding for the benefit of the city. Collectively we need to make better use of our buildings and land, and exploit the opportunities presented by rapid advances in technology.

In his "first 100 days" document the Chief Executive outlined the gap between our residents' perception of the city as a great place to live and their perception of the council. Whilst many individual services are well regarded and respected, the role of the organisation as a whole to help shape the life of the city is not so well acknowledged. The transformation programme is vital to improving not only what we do and how we do it, but also the reputation of the council and of public services in general.

2011/12 Commitments

- Improve the council's online offer to residents by expanding the range of fully web-enabled transactions and make progress towards a website that can be personalised by the customer
- Increase the integration of the council website with back office systems to manage customer information more efficiently
- First in depth consultative approach to setting council's budget for 2012/13
- First open book approach to council budgeting
- Adopt open government license and make more council data available.
- Develop an asset map of all council owned land and buildings including all major public partners
- Bring all property management functions across the council together to ensure we are making the best use of all our land and buildings
- Introduce an Memorandum of Understanding to share support services across public organisations in the city
- Share accommodation with two new partners
- Reduce the council's electricity consumption and costs through improved energy management and by fitting photovoltaic panels on certain council buildings
- Develop further the council's ISO 14001 environmental management system to reduce costs and improve resource efficiency
- Develop more robust sustainability indicators to more accurately monitor the council's performance
- Adopt new sustainable and ethical procurement standards
- Improve the council's internal Environment Champions network and staff engagement in sustainability

2011 – 2015 Outcomes

Excellent customer service

The council's 'Customer Promise' says that the council will be easier to reach, clear and respectful and to listen and act. We will continue to embed this promise across all parts of council.

The council is a very large organisation providing a wide variety of services. We aim to simplify the experience of contacting different parts of the organisation; so that people get the information and help they need first time. Key to this is the roll out of a system called 'Council Connect' and the establishment of customer access hubs.

We have developed the council website to be more accessible and enable customers to make more transactions online. We will continue to increase the range of council services people can access through our website and the range of transactions they can make, since this is now widely expected by the public, often more convenient than the telephone or face-to-face and costs less for us to provide. We will make behind the scenes changes to improve how we manage information, for example capturing once and re-using many times.

We realise not everyone can or chooses to use the website; that it does not suit all our residents. We will continue to provide and improve the different ways people can access council services, ensuring people can do business with us swiftly and hassle-free depending on their need.

A key aspect of how we provide excellent customer service will be to ensure that we design what we do and how we do it with residents and visitors needs always in mind. This will be embedded in all that we do to make the Council more efficient and effective.

We will know we are making a difference if, by 2015 there is:

- Increase in the levels of customer satisfaction
- Reduction in customer repeat visits as they need only tell us once
- A consistent customer experience for common transactions
- Quicker turnaround time of customer transaction

An efficient and effective council

The National Government's comprehensive spending review is driving significant change across all public sector organisations and like many other local councils we are exploring new ways of working to maintain excellent services within decreasing budgets.

A goal of our transformation programme is to achieve stronger outcomes for citizens. By this we mean ensuring council services have the maximum positive impact possible on both individuals and the city. This is through 'Intelligent Commissioning' which means working in partnership and using strong evidence to understanding what needs to be done and be innovative in the way it is achieved.

We continue to support this approach and will roll this out across the Council underpinned by the following principles:

- Using comprehensive evidence to understand the needs of our residents, including an assessment of the impact and cost of current services, best practice from within the city, nationally and internationally
- Designing future shape of services with residents; ensuring services focus on what matters most to residents and harnessing their knowledge and experience
- Enabling all staff to help review and design services; valuing and capitalising on their knowledge and experience and avoiding wasted effort
- Joining up delivery across the council and our partners; maximising all resources available
- Using best practice and innovation to add value and keep within budget
- Reviewing the impact of services on residents, businesses and visitors, regularly, and responding as necessary
- Working to achieve One Planet Living principles

These principles are not new, but we need to raise standards and increase consistency across the council. The principles provide staff, at all levels, with a framework within which to work; one defined by 'Systems Thinking' and that is focused on the outcomes for individuals.

We are introducing a new organisational structure to support these principles based around differentiating between strategy/policy development and delivery rather than working in more traditional Directorates. With the development of a new Strategic Leadership Board and Council Management Team, most of this structure is in place. We will now complete the structure and, most importantly, embed the principles into it.

Alongside this new framework for the council we will take practical steps to increase our efficiency. We will look to share assets and resources with other local government service providers where it will add value. The City Property Group, comprising of Property Managers from many different providers, has lead the way in sharing accommodation and co-locating services wherever it benefits residents and reduces costs.

We will also ensure staff are able to be more flexible in where they work, reducing travelling time, increasing their productive time especially contact time with residents and reducing our carbon footprint. Phase 1 of our 'Workstyles' programme started us on this journey allowing about 500 of our staff to work more flexibly. We will continue to roll-out this programme learning from phase 1 and engaging with staff.

Technology is pivotal to our flexibility and we will take every opportunity to get best value from the rapid advances in this area. We will ensure we can more easily share data across the Council and with partners where needed, consolidating the 300 separate software products we currently use, most of which work in isolation. We will produce a new Information, Communication and Technology Strategy that will outline how we intend to achieve these changes based on the following principles:

- Capture data once and re-use often, holding only that that is essential
- Open up our information to public use as much as possible
- Design our systems so that information can easily flow across the council
- Standardise and share applications across the council avoiding bespoke systems.
- Make systems mobile so that data can be captured at source and information is available wherever it is best used.
- Make systems simple to use and empowering.
- Through these principles and by how we provide IT and communication systems, reduce our carbon footprint.

We will know we are making a difference if, by 2015 there is:

- Increase in the proportion of staff working under new workstyles arrangements
- Achieve a 'desk to people' ratio of 7:10 (full time employees)
- Reduction in office accommodation by 30%
- Reduction in the council's Carbon Dioxide emissions (from its operations)
- Reduction in waste produced from council operations
- Decrease in the number of separate software applications
- Reduction in the annual cost of council business travel

Value for Money

The council spends over £700 million of public money each year and it is our responsibility to provide value for money. We will continue to systematically review all our services, identifying areas where we can reduce costs while improving or maintaining high quality services. We will work with other partners to share costs, promote innovation and reduce duplication.

We will seek to make efficient use of our buildings in terms of space and energy. We will roll out our new carbon reduction programme and improve our monitoring of energy and water usage and our waste produced, looking for ways to reduce associated costs. We will reinvest income from our renewable generated energy back into meeting council priorities.

Many of the ways in which the council works need to be unique to individual services to ensure professional expertise is developed and service delivery is focused on residents. However, some activities, currently undertaken by many teams across the council, will be co-ordinated by single teams. This will enable us to develop economies of scale, make best use of limited resources or skills, be more joined up and ensure the flow of information. The activities included are Asset Management, Communications, Information, Communication and Technology and Learning & Development.

We are aware of the risk of increasing bureaucracy by standardising and centralising these functions. Our overriding principle will be to ensure that decisions are made at the appropriate part and level of the organisation. We will also continue to review our management structures and our administrative support to ensure they are value for money and are enabling effective and efficient service delivery.

Our transformation programme will change the organisation. Best practice shows that good project and programme management is need for change to be successful in any large organisation. We will be strengthening the Council's change management method and have set up a Programme Management Office, to ensure any significant changes within the organisation are well planned and managed.

We will know we are making a difference if, by 2015 there is:

- Achievement of our value for money saving targets

FINANCIAL PLANNING

Summary of the Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) sets out the resource projections for the forthcoming three years, the financial challenges and opportunities that the council faces and the approach planned to meet the priorities set out in the Corporate Plan.

The MTFS explores in more detail the opportunities and risks presented by some major proposed changes to the local government finance system from 2013/14 and provides further analysis of the potential consequences of reforms to the benefits system. It will be regularly updated to reflect the latest available information.

The MTFS includes some changes to our financial planning principles:

- An intention to raise council tax by 3.5% in order to protect as far as possible services for the most vulnerable.
- Regard for the new Government incentive from April 2013 to grow the local economy and keep part of any growth in local business rates which could be maximised by the council's own direct capital investment, its enabling development and its relevant overarching strategies.
- Will seek to protect as far as possible capital grant funding for transport and the public realm investment.
- All services will review their assets to determine any that are surplus to requirements which can be disposed of in order to meet the council's other corporate capital investment priorities and reduce its carbon footprint.
- Council carbon budgets will be developed to be reported alongside the financial budget of the council.
- A sharing of the use of any future new homes bonus income to further protect those services and to reinvest in enabling new housing development.

The council will integrate its service and financial planning on the basis of need ensuring cost effective outcomes and will continue working with partners to ensure the provision of joined up services and share costs wherever possible. Where appropriate Equality Impact Assessments will be developed for all proposals to change services and implement savings. Analysis will also be undertaken to assess the cumulative impact of different proposals particularly on the most vulnerable and deprived sections of our community. A more extensive and inclusive programme of consultation on the budget will take place as part of the annual budget process.

Many of the commitments for 2011/12 will be funded through a change in priority or focus for the use of existing resources, including staff time and capital programmes such as the Local Transport Plan.

Some commitments have additional costs which have been factored into existing budget plans, for example:

- Funding to facilitate the redesign of youth services;
- Support to the advice sector's work on financial inclusion;
- Commitment to a £7.19 Living Wage for Council staff;
- Fitting solar photo-voltaic panels on council homes and corporate buildings (self-financing);
- Bidding for UN Biosphere Reserve status.

There are some proposals that are likely to require additional revenue investment but which cannot be fully costed at this early stage. This is because there are a range of options about how they could be implemented and further consideration and consultation will be required before reaching a view about the best way forward. The two most significant ones in revenue terms are probably:

- Reducing domestic waste and increase recycling including the launch of a food waste pilot; and
- New approaches to neighbourhood governance.

The council will explore all options for external funding and innovative cost effective solutions to help support the delivery of these proposals.

The council will continue to use a range of tools to lever investment into the city to deliver priorities in relation to affordable housing, redevelopment of major sites and the public realm including the seafront. These include:

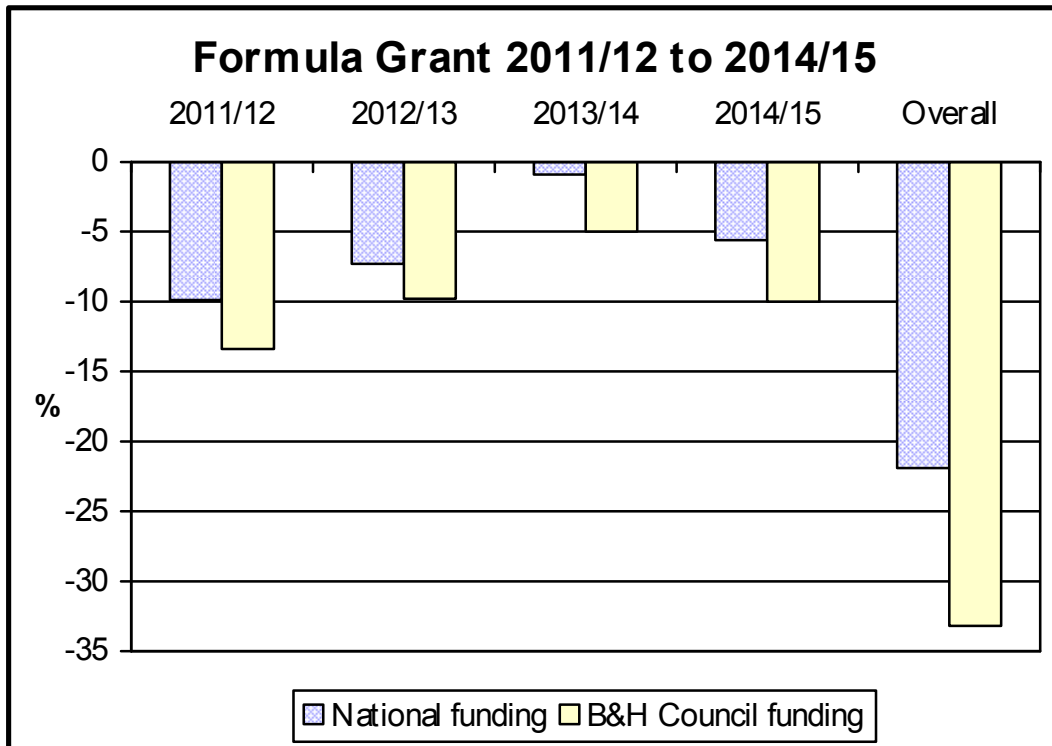
- Planning policies and securing enabling development;
- Use of existing council land and buildings for example in relation to the housing local delivery vehicle;
- Facilitating private sector investment into the city;
- Accessing grant funding, for example to support plans for The Level;
- Using prudential borrowing where there is a robust and affordable business case.

The following table shows a summary of the budget projections for the General Fund over the next 3 years.

Table: Summary of General Fund budget projections			
	2012/13	2013/14	2014/15
	£'000	£'000	£'000
Budget requirement brought forward	232,221	225,377	227,093
Function & Funding changes	-519	-	-
Revised Budget requirement brought forward	231,702	225,377	227,093
Inflation	2,988	4,933	4,920
General Risk Provision	500	500	500
Commitments - impact of previous decisions	-1,925	-832	-111
Service pressures – General	7,500	7,500	7,500
Service pressures – Specific Grants	249	3,051	451
Service Pressures – Function & funding changes	519	-	-
Service pressures – Carbon Reduction Commitment	160	100	100
Full year effect of 2011/12 savings	-3,931	-	-
Savings	-16,386	-14,598	-18,502
Sub-Total	221,376	226,031	221,951
Change in contribution to / from reserves *	4,001	1,062	-
Budget Requirement	225,377	227,093	221,951
Funding			
Formula Grant	101,377	96,308	86,677
Council Tax	124,000	130,785	135,274
Total	225,377	227,093	221,951

*Reserves have been used to support the 2011/12 budget to cover only one-off expenditure items and agreed savings that will be implemented during the year. The removal of this one-off funding is completely offset in future years by the full year effect of savings and the removal of one-off expenditure items shown under commitments. By 2014/15 the budget forecast does not rely on the use of any reserves.

The main source of Government funding for General Fund services comes from Formula Grant. The following chart forecasts how this funding may reduce for the council over the 4 year period compared with the national funding reductions as set out in the Government's Spending Review 2010. Over the Spending Review period Formula Grant for Brighton & Hove is forecast to fall in cash terms by approximately one third or £43million.



MEDIUM TERM FINANCIAL STRATEGY 2012/13 TO 2014/15

Format of the Medium Term Financial Strategy (MTFS)

The MTFS covers all spending by the council and the different sources of funding it receives. Council spending is split between revenue expenditure, covering the day to day costs of running and providing services e.g. salaries and wages or the running costs of a building such as heating and lighting, and capital expenditure, covering expenditure on assets that have a life of more than one year e.g. the cost of building a school or buying a vehicle. Separate strategies are set out for revenue and capital investment.

The council has 4 main areas of revenue spending and each area is funded differently and therefore needs to be considered separately:

- Schools Budget – this budget covers the expenditure by schools on teachers and support staff, all teaching materials and the running costs and day-to-day maintenance of school buildings. The budget is almost entirely funded by the Government through the Dedicated Schools Grant and Pupil Premium.
- Housing Revenue Account (HRA) – this budget covers the costs of operating and maintaining the housing stock owned by the council and is largely funded by the rental income collected from council house tenants.
- Housing Benefit and Council Tax Benefit – currently the council administers the payments to those out of work or on low incomes on behalf of the Government. As long as the council efficiently administers these payments the Government meets them in full through grant.
- All other services form part of the General Fund Budget – this covers a very wide range of services including Adult and Children's Social Care, Local Education Authority, Highways, Waste Collection and Disposal, Museums, Libraries and Tourism, Leisure and Parks, Planning and Economic Development and Public Safety. These services are funded approximately by 40% Government Grants, 30% Fees & Charges and 30% Council Tax.

The MTFS describes the broad strategies for the Schools Budget and the HRA and the possible impact of Government proposals to make changes to Housing and Council Tax Benefit from 1st April 2013 onwards. On the basis of the best information currently available the MTFS sets out for the General Fund the following:

- Expenditure and resource projections for 2012/13 to 2014/15;
- The key assumptions behind the projections;
- Explanations of each of the component parts of the forecasts including the projected savings totals that are needed to deliver a balanced budget and the process that has been adopted to identify them;
- Changes that are known about but cannot be quantified at this time in particular Government proposals to provide incentives for local

authorities to improve their local economy by retaining a proportion of the future growth in business rate income from 1st April 2013.

The Capital Investment Strategy sets out in broad terms the priorities for future capital investment as set out in the Corporate Plan and the funding projections and options. Finally the MTFs contains a risk matrix which sets out the key financial risks and opportunities for the council.

Summary of MTFs

The Medium Term Financial Strategy (MTFS) sets out the resource projections for the forthcoming three years, the financial challenges and opportunities that the council faces and the approach planned to meet the priorities set out in the Corporate Plan.

The MTFs explores in more detail the opportunities and risks presented by some major proposed changes to the local government finance system from 2013/14 and provides further analysis of the potential consequences of reforms to the benefits system. It will be regularly updated to reflect the latest available information.

The MTFs includes some changes to our financial planning principles:

- An intention to raise council tax by 3.5% in order to protect as far as possible services for the most vulnerable.
- Regard for the new Government incentive from April 2013 to grow the local economy and keep part of any growth in local business rates which could be maximised by the council's own direct capital investment, its enabling development and its relevant overarching strategies.
- Will seek to protect as far as possible capital grant funding for transport and the public realm investment.
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- Council carbon budgets will be developed to be reported alongside the financial budget of the council.
- A sharing of the use of any future new homes bonus income to further protect those services and to reinvest in enabling new housing development.

The council will integrate its service and financial planning on the basis of need ensuring cost effective outcomes and will continue working with partners to ensure the provision of joined up services and share costs wherever possible. Where appropriate Equality Impact Assessments will be developed for all proposals to change services and implement savings. Analysis will also be undertaken to assess the cumulative impact of different proposals particularly on the most vulnerable and deprived sections of our community. A more extensive and inclusive programme of consultation on the budget will take place as part of the annual budget process.

Many of the commitments for 2011/12 will be funded through a change in priority or focus for the use of existing resources, including staff time and capital programmes such as the Local Transport Plan.

Some commitments have additional costs which have been factored into existing budget plans, for example:

- funding to facilitate the redesign of youth services;
- support to the advice sector's work on financial inclusion;
- the commitment to a £7.19 Living Wage for Council staff;
- fitting solar photo-voltaic panels on council homes and corporate buildings (self-financing);
- bidding for UN Biosphere Reserve status.

There are some proposals that are likely to require additional revenue investment but which cannot be fully costed at this early stage. This is because there are a range of options about how they could be implemented and further consideration and consultation will be required before reaching a view about the best way forward. The two most significant ones in revenue terms are probably:

- reducing domestic waste and increase recycling including the launch of a food waste pilot; and
- new approaches to neighbourhood governance.

The council will explore all options for external funding and innovative cost effective solutions to help support the delivery of these proposals.

The council will continue to use a range of tools to lever investment into the city to deliver priorities in relation to affordable housing, redevelopment of major sites and the public realm including the seafront. These include:

- planning policies and securing enabling development;
- the use of existing council land and buildings for example in relation to the housing local delivery vehicle;
- facilitating private sector investment into the city;
- accessing grant funding, for example to support plans for The Level;
- using prudential borrowing where there is a robust and affordable business case.

Budget & Resource Projections

Tables 1 and 2 below set out both the main assumptions that underpin the projections and a summary of the General Fund projections. The projections show the movements in the budget requirement for the council which is the anticipated budget after the deduction of specific grants and fees and charges and is funded by Formula Grant and council tax. The reasons for the movements are described in the paragraphs after table 2 and follow the order shown in the table.

It should be noted that virtually all the specific grants are unringfenced i.e. the council can decide how this money is spent in order to achieve the best

service outcomes and therefore does not have to necessarily spend the money in the service area for which it was allocated.

Table 1: Summary of MTFS assumptions			
	2012/13	2013/14	2014/15
Pay inflation	0.5%	2.0%	2.0%
General inflation	2.0%	2.0%	2.0%
Formula grant floor change	-9.4%	-5.0%	-10.0%
Dedicated Schools grant per pupil	0.0%	0.0%	0.0%
Other specific grants	0.0%*	0.0%	0.0%
Council Tax change	3.5%	3.5%	3.5%

* Except where the Government has already announced 2012/13 allocations.

Table 2: Summary of General Fund budget projections			
	2012/13	2013/14	2014/15
	£'000	£'000	£'000
Budget requirement brought forward	232,221	225,377	227,093
Function & Funding changes	-519	-	-
Revised Budget requirement brought forward	231,702	225,377	227,093
Inflation	2,988	4,933	4,920
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Savings	-16,386	-14,598	-18,502
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Funding			
Formula Grant	101,377	96,308	86,677
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Function & Funding Changes

In 2012/13 more funding is being removed from the council for new academies and a loss of responsibility for certain private sewers. The

academies adjustment is being made to reflect the position that councils do not have to provide a range of educational support services to academies as they are designed to be self-sufficient. The value and distribution method for the academies transfer in 2011/12 and 2012/13 is currently being revisited by Ministers following a government consultation this summer, however there remains a lot of uncertainty about whether any changes will be made to the transfers already announced. The current adjustment is based on a pro-rata split across the country and does not reflect the actual number of academies within a local area which is a fairer but potentially more complex way of making the adjustment. Further funding transfers for academies are expected from 2013/14 however the value of this is unknown at this time.

In 2013/14 the council will gain additional responsibility for Public Health and the Government has stated that they are committed to ensuring that local authorities are adequately funded. The intention is for the Government to provide shadow allocations for 2012/13 by the end of this year.

Inflation

The level of inflation experienced by the council is different from the national measures of inflation such as the Consumer Price Index (CPI) because the sorts of goods it buys are very different from an average household and the council is exempt from VAT. An assumption of 2% is included for general inflation in the projections. Compared to current levels of inflation this is low but inflation is generally expected to decrease later this year and provision for higher levels of inflation in spending areas such as fuel and energy costs are covered within service pressures.

The Government have announced a 2 year public sector pay freeze for 2011/12 and 2012/13. The budget estimates for 2012/13 include a risk provision for pay related matters equivalent to a 0.5% increase. It is anticipated that public sector pay will be tightly controlled over the planning period therefore the planning assumption will be for a 2% annual increase in pay for 2013/14 and 2014/15.

The Administration has announced that there will be a rise of 59p per hour in the pay for the lowest paid council staff bringing them to £7.19 per hour as part of the commitment to introduce a Living Wage in Brighton & Hove. This is estimated to cost £109,000 in a full year plus and can be funded from the resources set aside in the 2011/12 budget for pay. The costs for school based staff are estimated at £70,000 and it is assumed that this will be paid for from school delegated funds. A living wage commission is due to commence in October 2011 reporting in March 2012. Any further increases in pay for council staff will need to be funded from within the overall planned pay assumptions.

General Risk Provision

A general risk provision of £0.5m per annum is incorporated into the budget projections to cover uncertainties within the budget each year. The 2011/12 budget includes recurrent risk provisions of £2m and one off risk provisions of £1.2m. Any of these resources that are not required to support the 2011/12 budget will become available to support future budgets.

Commitments – impact of previous decisions

A number of commitments have been included to cover the planned changes in budget from previous decisions. In 2012/13 these include the planned 0.4% increase to employer pension contributions following the triennial pension fund review last year and reinvestment of NHS social care funding. These increases are more than off-set by anticipated reductions in the financing costs budget and reversal of one off allocations within the 2011/12 budget.

Service Pressures

Service pressures are defined as the additional costs needed to maintain all existing services at their current level. Different types of service pressure are described in the paragraphs below.

Service Pressures - General

The budget estimates for 2012/13 contain demographic growth and other service pressures of £7.5m that are based on the following assumptions at this stage:

- Demographic and demand pressures (£5.4m): of which £2.5m for growth in numbers of clients in Adult Social care, in particular those with learning disabilities and physical disabilities and accessing mental health services. A further £2.5m pressure has been assumed for Children's services, which includes growth in independent foster and residential agency placements, in house placements and associated legal costs.
- There is also assumed to be a continuation of the demand on travellers' services seen over recent years and on support provided by the Community Safety partnership (£0.4m).
- Income shortfalls (£0.8m): there is assumed to be continued pressure on income from Penalty Charge Notices (PCN) due to the successful enforcement strategy, and continued risks on commercial property and service areas dependent on advertising revenue.
- Legislative and compliance risk (£0.55m): some additional costs associated with the Localism Bill are anticipated and there are ongoing issues around ICT licensing and rising insurance costs.
- A provision for increased energy costs has also been included in the £7.5m. While there are other cost pressures being faced by services it is assumed that these will be identified and managed within their overall resource base. £0.35m has also been retained centrally for distribution at a later stage when there is greater certainty of these figures.

Demographic and other service pressure funding of £7.5m has been included in the budget estimates for 2013/14 and 2014/15, however indicative allocations have not been made at this stage as it is too early to predict where pressures would arise with certainty.

Service Pressure – Specific Grants

There are potential specific grant reductions of £0.3m in 2012/13 based on the latest announcements of allocations of grants. Further pressures arise from specific grants in 2013/14 and 2014/15 where the specific grant allocations are assumed to be frozen at the 2012/13 levels rather than rise with inflation.

Service Pressures – Council Tax Benefit Grant

A major change in council tax benefits is due in 2013/14 when the national regulations will be replaced by a local scheme that will need to be devised to cope with a funding reduction of 10%. The forecast for 2013/14 shows the likely loss in grant funding of £2.6m based on current levels of benefit payments and assumes that the council will implement a reduced scheme. Once a local scheme is in place changes in the total amount of benefit awarded by the council brought about by changes in the population and economic conditions will become a new financial risk for the council.

However the financial implications will not be fully known until the autumn/winter 2011 once the results of the current government consultation are published thereby enabling the council to begin working on options for different local model schemes. It could be more difficult to collect the additional £2.6m council tax due to the council from tax payers on low incomes who currently have part or all of their bill met by council tax benefit. Whilst all reasonable efforts will be made to collect the full amount of the council tax due an initial provision of about 6% or £0.150m for possible non-collection.

Service Pressures – Function and Funding Changes

The reduction in costs generated by function and funding changes described earlier are unlikely to be achieved by the council and therefore have been treated as a service pressure in the budget. Any savings that can be achieved will form part of the savings proposals put forward by these service areas.

Service Pressure - Carbon Reduction Commitment (CRC)

The spending review has made 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 back to organisations as income depending on how successful each 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 estimated to be £12 per tonne in 2011/12 requiring a budget of £0.16m for this year and next based on the detailed data collected this summer. Separate provision of just over £0.1m has been made in the schools budget to cover the cost of their allowances. In 2013/14 and beyond the council will need to buy allowances to cover more of its carbon footprint and the cost of allowances over time is expected to rise. Additional provision of £0.1m each year has been initially allowed in the forecasts to cover the increasing cost of purchasing allowances.

Full Year effect of 2011/12 savings

A number of savings particularly reductions in staff costs have been agreed for implementation during the current financial year and therefore the savings achieved next year in 2012/13 will be significantly greater. Reserves were planned for use in 2011/12 to cover those savings which could not be implemented from 1st April 2011.

Savings

The level of savings required represents the reductions needed in the budget in order to set a balanced budget for that year given the other assumed budget and resource projections. As set out in the budget update report to Cabinet in July 2011 all service areas are being asked to produce options for working within a budget allocation over the next 2 years of -5%, -10% and -15% based on their 2011/12 adjusted budget. It is expected that these plans

cover both 2012/13 and 2013/14 in order to ensure that decision making is for the medium term, not just the short term. The intention is for Full Council to agree a budget for 2012/13 in the light of indicative plans for 2013/14.

This will also enable consideration to be given to allowing longer lead in times for delivery of savings in some areas if this would result in better long term outcomes and to assess the cumulative impact of potential savings proposals.

These options would take into account not just options for reducing expenditure, but also for managing growth in service demand and exploring opportunities for generating additional income. Integration of service and financial planning on the basis of need to ensure cost effective outcomes will be a core part of the process, ensuring that needs are properly understood and resources prioritised, to deliver the intended outcomes. This will help drive improved financial planning across service and organisational boundaries. There will also be a continued focus on improving value for money, both through the existing VFM programme and also identifying potential further opportunities.

The budget principles on which those options will be developed are:

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

This process will produce a wide range of options, allowing greater public debate and scrutiny about what the challenges and choices are. The process is deliberately designed not to pre-judge the outcomes. Opportunities will arise to consider how the funding available for service pressures and the risk provisions in the budget will be best deployed to achieve a robust and deliverable budget. Where appropriate Equality Impact Assessments will be developed to support the decision making process.

Devolving aspects of budget decision making to local neighbourhoods will be a key consideration of any further decisions made. Both national legislative changes and local priorities offer new ways of ensuring local communities and communities of interest can play a significant role in making decisions that affect them.

Value for Money (VFM)

Value for money (VFM) is a well established and continuing mechanism underpinning the budget process. Some VFM savings from 2012/13 programme have been fast-tracked into 2011/12. Further VFM have not been separately identified in the forecasts for future years but will be proposed as part of the -5%, -10% and -15% savings options.

Resources

These sections cover both Formula Grant and council tax which fund the net General Fund budget but also fees and charges, the New Homes Bonus and reserves.

Formula grant

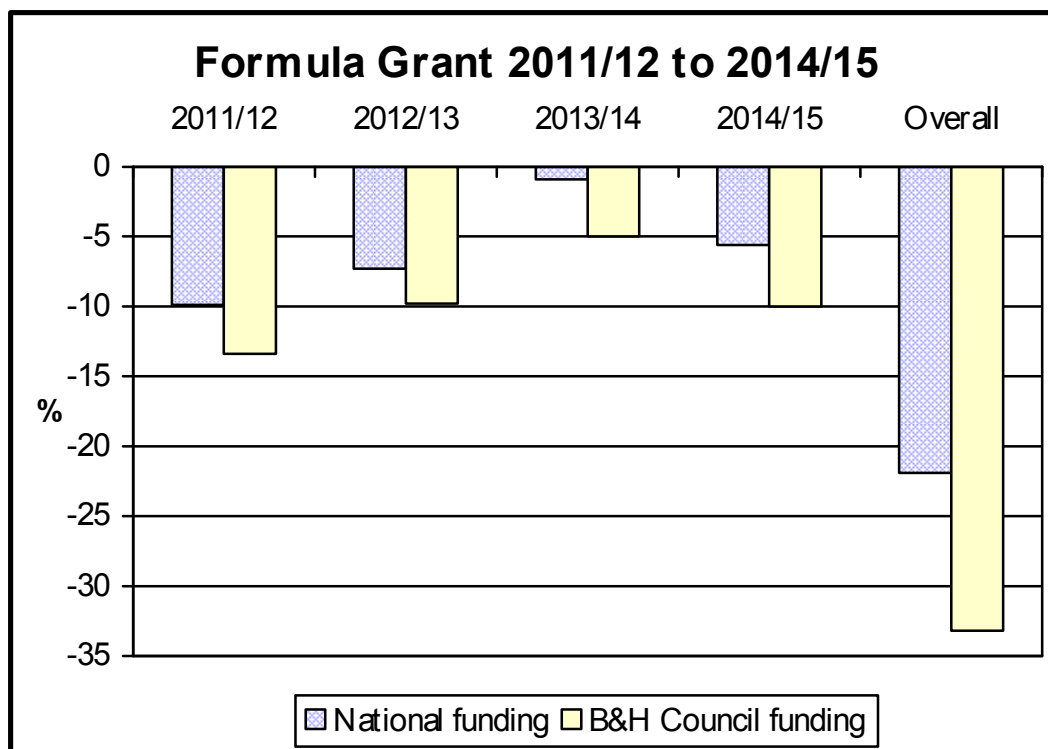
Whilst the Spending Review last year set out Government spending plan totals for 4 years the Government only announced a 2 year Local Government Finance Settlement covering 2011/12 and 2012/13. Although the 2012/13 figures are provisional further changes that may be made when the 2012/13 settlement is announced at the end of November or beginning of December 2011 have not been included in the forecasts. However, the way the Government reduced the 2011/12 settlement and proposes to reduce the 2012/13 settlement to reflect the growing number of academies has been revisited through a consultation process and these adjustments could change.

Another 2 year settlement is likely to be announced in November or December 2012 for 2013/14 and 2014/15 taking into account any changes resulting from the Local Government Resource Review. A summary of the changes is given in a section on the review later in this strategy. These changes could have a significant impact on resource distribution so grant forecasts for these years are very provisional at this stage.

The forecasts for 2013/14 and 2014/15 are based on the national figures for formula grant given in the spending review adjusted to reflect the fact that:

- The national totals will need to be top-sliced to provide ongoing funding for the New Homes Bonus, and
- The council in 2012/13 is still in receipt of £11m floor protection grant which is likely to continue to be lost over time.

The following chart compares the average national Formula Grant changes set out in the Spending Review with the actual Formula Grant for 2011/12, the provisional settlement for 2012/13 and the forecasts for 2013/14 and 2014/15 for the council.



Formula Grant is expected to be £101million for the council in 2012/13 a reduction of £11million over the current year. Over the Spending Review period Formula Grant for Brighton & Hove is forecast to fall in cash terms by approximately one third or £43million.

Council Tax Strategy & Taxbase

The resource projections within the MTFS are based upon an increase in council tax of 3.5% in 2012/13 followed by a planned increase in council tax for the period 2013/14 to 2014/15 of 3.5% per annum.

It has been assumed that the amount of money raised by a £1 band D council tax levy known as the council taxbase will remain constant throughout the MTFS. The growth in properties as a result of new property developments is assumed to be offset by a continuing growth in the number of properties occupied solely by students and therefore exempt from paying council tax. Further work is being undertaken to establish whether recent unexpected increases in exemptions and discounts in the current year is a temporary or permanent phenomenon. At this stage the forecast tax base has not been reduced but the budget strategy will need to be flexible enough to cope with possible resource reductions should they be identified later in the year.

As explained earlier in the section on proposed changes to council tax benefit from April 2013 reductions in the scheme will mean that the council will need to collect more council tax from residents on low incomes and this is likely to be harder to collect. The forecasts of council tax income for 2013/14 and beyond include the additional council tax collectible.

The overall level of council tax is also dependent upon the council taxes set by the Sussex Police Authority and East Sussex Fire Authority. There may be

some probably minor changes to the Fire Authority council tax if proposals to merge with West Sussex are agreed in the future. Overall the comparable band D council tax for Brighton & Hove residents is slightly above the national and unitary average but well below the average in Sussex.

Fees and Charges

The fees and charges are assumed to increase by 2% inflation over the period. An overarching review of fees and charges for 2012/13 will be undertaken prior to Budget Council to assess the cumulative impact of proposed changes to fees and charges on vulnerable groups.

New Homes Bonus

The amount of additional new homes bonus income each year will not be known until the time of setting the following year's budget and therefore individual allocations will form part of each financial year's budget report. The future new homes bonus income will be used to further protect services for the vulnerable and to reinvest in enabling new housing development. Based on information to the end of August it is estimated that the council could receive an additional c.£0.3m per annum from 2012/13 for the next 6 years in respect of growth since October 2010 but this has not been built into the resource forecasts at this stage.

General Reserves and Working Balance

The working balance is currently £9m and is planned to remain at this level over the next 3 years. The council holds a wide range of reserves for specific purposes and details of the amount of each reserve, what it is being held for and any planned usage of the reserve are included in the detailed budget report each year. The projected general reserves position to 31st March 2012 was set out in the budget update report to Cabinet in July 2011 and the level of reserves available for use in future years will depend on spending levels in the current year. Reserves cannot be used to fund ongoing expenditure commitments as they can only be spent once. They can be used to support the revenue budget whilst agreed savings are being implemented, to meet any one-off upfront costs associated with savings or to fund one-off new expenditure items.

Other future Government policy changes that will impact on future year projections for the General Fund:

Local Government Resource Review

The Government published terms of reference for the review in March 2011 with the primary objectives being to give local authorities greater financial autonomy and strengthen incentives to support local economic growth. Currently there is no link between the business rates collected locally and the business rates funded proportion of Formula Grant. A consultation by the Department for Communities & Local Government is underway which will allow councils to keep some or all of their business rate income collected locally. Councils will also get to keep some of the increases in local business rates over and above inflation but see reductions in their resources if business rates fall. Local authority areas with a very high level of business rateable value, a growing economy and increasing number of business premises have potentially most to gain from these proposals. The Government appears to

be extremely keen to make changes and has an ambitious target of 1 April 2013 for the introduction of a new system.

Local government finance is extremely complicated and making changes of this fundamental nature is not easy and can create many unintended consequences. Officers are closely monitoring progress on the proposals and keeping the cross-party Members Budget Review Group informed of the latest developments. The work undertaken so far has thrown up many unanswered questions which makes assessing the impact on the future resource position of the council difficult to ascertain. However, any localisation of business rates will give the council significant new risks to manage as the income from business rates is quite volatile and provide some different financial incentives to take into account when the council is making decisions on business developments within the city. The council will need to explore which authorities might be willing to enter into business rates pooling arrangements with the council and the advantages and disadvantages of spreading the risks by pooling with different local authorities.

Housing Benefit

The Welfare Reform Bill contains the legislative provisions for the introduction of a universal credit that will replace existing in and out work benefits and credits. The aim is to improve work incentives, simplify the benefits system and make it less costly to administer.

The council currently administers housing benefits and council tax benefits and receives around £180m subsidy (2011-12) and £3.258m housing and council tax administration grant. The move to universal credit is planned to commence for new applicants from 1 April 2013 and have a four year transition period. The transition to universal credit will have profound implications for many council employees and councils systems alongside the re-localisation of council tax benefits from 2013/14.

The LGA is lobbying government to ensure that the costs associated with the benefit reform, including staff, systems, contractual and transition costs, should be fully met by government under the new burdens doctrine. There is clearly a significant financial risk to the council if that is not the case.

In addition the way universal credit is paid could have important implications for the housing market. For example, if universal credit increases the risk that tenants default on rent, and rental income streams suffer, this could destabilise the credit arrangements the social housing sector has with financial institutions. This in turn could impact on the costs associated with the council's statutory homeless responsibilities.

Schools Funding

Schools funding can only be spent on schools related expenditure. In the Spending Review schools funding was protected with DSG and funding for the new Pupil Premium rising by 0.1% per annum in real terms (i.e. after allowing for inflation) over the period of the Spending Review at a national level. The Department for Education are continuing to consult on the changes to the way the national funding pot is distributed including the introduction of a national funding formula to replace locally agreed

formulae. The next stage of the consultation is currently taking place with a response deadline of 11 October 2011. Changes to the distribution mechanisms will create winners and losers both at the local authority and individual school levels but it is too early to tell how schools within Brighton & Hove might be affected.

Capital Investment Programme

The capital investment programme covers all services including the HRA and schools.

Current Capital Investment Programme

The 2011/12 capital programme is £114.1m. The programme contains a number of critical schemes which have the potential to have significant revenue budget implications if they are not delivered, these include the council's phase one of the accommodation strategy £2.8m, solar panel Implementation £2.6m, vehicle replacement £1.2m and new primary school places £11.3m. The programme also includes corporate investment of £0.5m for the Strategic Investment Fund, £0.5m for the ICT Strategy Fund and £1.0m for the Asset Management Fund. The corporate funds support investment in core strategic investment for major projects, civic and operational buildings and ICT investment.

Council borrowing accounts for 24% of the capital programme funding. Capital grants account for 44% of the capital programme some of which are ringfenced for specific purposes. Revenue contributions include the Major Repairs Allowance for housing stock as well as contributions through direct revenue funding. Receipts from asset sales accounted for 4% of the funding and other sources of funding include use of capital reserves and external contributions.

Capital prospects for the next 3 years

The Government does provide some indicative forward estimates of future capital allocations but the detail varies significantly between government departments. The resources available nationally are outlined in the spending review and this information coupled with the indicative allocations allows for estimates of future year's resources to be established. Forward estimates of the capital investment programme have been produced for the period up to 2014/15 and these are included at Table 3.

The response to the '2010-11 review of the education capital commitment' is expected to be published in the autumn of 2011. The review aims to achieve better value for money and improve efficiency in education capital investment that is relevant to both schools and children and young people's services. The review aims to better target funding to where it is needed most and give more flexibility on how funding is used in the context of clear overarching national priorities.

The council has ambitious capital investment aspirations including the redevelopment of the Brighton Centre, the Black Rock site, Brighton Station Gateway and the Historical Records Centre.

Table 3: Summary of Capital Investment Programme			
	2012/13	2013/14	2014/15
	£'000	£'000	£'000
Approved Schemes			
People	537	0	0
Place	1,578	760	0
Communities	0	0	0
Finance & Resources	0	0	0
New Schemes Awaiting Approval			
People	8,080	7,442	6,899
Place	30,121	24,853	24,807
Communities	0	0	0
Finance & Resources	4,000	4,000	4,000
Total	44,316	37,055	35,706
Fund by:			
Government grants	15,596	14,256	14,058
Capital receipts	2,000	2,000	2,000
Capital receipts to support the LDV	4,517	4,722	3,328
Capital reserves	84	0	0
HRA reserves	2,782	3,271	3,400
External contributions	146	0	0
Major Repairs Allowance	7,638	7,839	8,000
Direct revenue funding	3,487	3,467	3,420
Council borrowing	8,066	1,500	1,500
Total	44,316	37,055	35,706

Capital Strategy

The Council's Capital Strategy outlines the process for the prioritisation and evaluation of capital investment projects. A summary of these priorities is detailed as follows:

- Will seek to protect as far as possible capital grant funding for transport and the public realm investment;
- The pooling of all remaining non ringfenced capital resources and allocating to priority areas of investment;

- Allocate approximately £0.5m per annum to address the key capital strategic priorities and provide support to the major projects investment through the Strategic Investment Fund;
- Allocate £0.5m per annum towards the Information and Communication Technology Fund to address the funding of central network support and improvements to the ICT infrastructure;
- Allocate £1.0m per annum to the Asset Management Fund to support property improvements, property related Health & Safety requirements and access improvements under the Disability Discrimination Act 1995;
- Allocate £0.5m per annum through borrowing to support investment in Social Care buildings;
- Generate capital receipts from the disposal of surplus or under-used assets for reinvestment through the Asset Management Plan and into other corporate funds;
- Proceeds from the sale of capital receipts will be used for reinvestment in the capital programme or used for debt repayment or investment, for example, to offset any loss of rental income in the revenue budget;
- The net receipts from 'right to buy' sales are split between funding for corporate strategic priorities delivering regeneration including affordable housing opportunities and investment directly in housing. The first £0.5m of this income is used to finance support for major regeneration and housing projects through the Strategic Investment Fund with the remainder set aside for investment in housing;
- The use of council borrowing for service improvements where a business case has been developed and that the investment demonstrates value for money and the additional finance costs are reflected in the revenue budget;
- Explore all funding options including partnerships and bidding processes.

This strategy allows the council to maximise current and future capital resource allocations. It also allows for the allocation of resources to address the key priorities and strategic issues of the council.

Housing Revenue Account

The Housing Revenue Account (HRA) Budget is a ring fenced account which covers the management and maintenance of council owned housing stock. A local authority's HRA must be in balance meaning that the authority must show in its financial planning that HRA income meets expenditure and that the HRA is consequently viable.

Revenue budget

The HRA expenditure and income budgets in 2011/12 are both £50.4 million creating a balanced budget. The HRA revenue reserves are currently at £4.7m which is above the recommended level and this will be reviewed during 2011/12.

The HRA budget will focus on reducing management and maintenance costs over the next three years.

Management costs for 2010/11 were £17.67 per dwelling per week which are average in comparison with other councils. The 2011/12 budget includes management savings in office costs of £0.090 million, and savings of £0.263 million from the implementation of the Customer Access Review Phase 2.

The new repairs and improvement partnership has achieved savings in the responsive repairs and voids budgets (and also capital project unit costs) and the 2011/12 budget includes further savings of £0.300 million.

Future savings will be delivered by improving the use of HRA buildings including more efficient working at the housing centre, streamlining processes and implementation of phase 3 of the Customer Access Review. The move towards open book accounting for the partnership in the future will continue to support the delivery of future savings, thereby reducing the overall maintenance costs.

Savings will be used to fund any service and inflation pressures not met by additional rental income from annual rent increases. A proportion of savings will be reinvested to tackle inequality, anti social behaviour, improving financial inclusion and to fund capital investment.

Capital Programme

The current 3 year capital programme has a budget of £71 m over the period 2011/12 to 2013/14 and the forecast spend for 2011/12 is £36.8 million.

By April 2011, 74% of homes met the Decent Homes Standard, and the target is to bring this up to 88% by April 2012. The capital programme will provide funding, through leasing properties to Brighton and Hove Seaside Homes, to ensure all council housing meets the standard by the end of 2013.

The capital strategy for the next 3 years will also focus on supporting the development of healthy lifestyles, support the reduction of inequalities, including overcrowding, and creating homes that meet the changing needs of the City. The programme will for example proactively tackle the causes of

mould in homes, combining heating, insulation and ventilation programmes, along with cyclical works, which will help improve health and reduce the inequalities caused by fuel poverty.

Projects include solar panel installations to 1,600 homes and over cladding, building significantly on the carbon reductions already achieved and playing a key part in making Brighton & Hove a benchmark for high environmental sustainability delivery.

Self Financing

The HRA operates within the national housing subsidy system, the system through which the Government determines the amounts local authorities need to spend on their council housing and whether subsidy is required to support this expenditure. 'HRA subsidy' is the sum paid by Government to make up any shortfall between HRA income and expenditure.

HRA subsidy may be a negative amount where the government determines that the local authorities have more money than they need to finance their expenditure. Local authorities therefore pay this sum across to the Government. In 2011/12 the negative subsidy payment for the HRA is £4.75 million.

Under plans in the Localism Bill the current housing subsidy system will be abolished from April 2012 and replaced with a new system of self financing. 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 (currently estimated at £9.3 million) at a level which is sustainable in the long term.

This system will enable the HRA to develop a balanced 30 year Business Plan aiming for effective long term management of the housing stock.

Risk assessment

The degree of risk and uncertainty contained within the MTFS cannot be understated. The finance system within which the city council works is complex and highly sensitive to a range of variables. Factors that can have a material effect on the financial position of an authority include:

- The lack of certainty in future resource levels
- Changes in function & funding
- Changes in how services are funded
- Changes in the economy
- Climate change
- Unmanaged service pressures
- Decisions on council tax

Risks to the MTFS arise from both external and internal factors. External risks include, for example, Government policy decisions that have an adverse impact on the council. External risks are generally the most difficult to manage and plan for.

Internal risks can also arise for a number of reasons, such as cost overruns or changing priorities. They may also be influenced by external factors. It is vital to have adequate mechanisms to manage internal risks if financial stability is to be achieved. There are a number of ways in which the effects of risks can be managed and these are set out in the following risk table. Furthermore, the city council's MTFS aims to minimise the impact of some of the major financial risks and impact on the delivery of the city's key priorities.

However, the forecasts within the MTFS are based on assumptions that reflect the most likely position based on current knowledge and therefore there are also opportunities if any of the forecasts overstate actual expenditure or under-estimate actual income.

Risk	Likelihood of occurrence (L)	Impact (I)	Risk (L) X (I)	Possible Impact on Financial Strategy	Mitigation / Management
Potential Risks affecting 2012/13 to 2014/15					
Collection of council tax falls due to the difficult financial climate and failure to achieve higher target collection rates resulting in a deficit on the collection fund	2	3 0.1% reduction in council tax collection = £0.1m	6	Immediate impact on reserves Would require reductions in the budget for the following year to repay reserves	Close monitoring of the collection fund Implement appropriate collection strategies to minimise impact and review effectiveness of the new Debt Prevention Team
Council tax base is lower than anticipated e.g. lower number of new properties / more student exempt properties / more discounts, resulting in a deficit on the collection fund	3	3 1% reduction in council tax base = £1.1m	9	Immediate impact on reserves Would require reductions in the budgets for the following year to repay reserves	Close monitoring of the collection fund and checking validity of exemptions and discounts particularly new property developments, student numbers and discounts Working with further education establishments to develop more dedicated student accommodation
Provisions for Equal pay	4	4	16	Successful equal pay claims	Maintain and update the risk

Risk	Likelihood of occurrence (L)	Impact (I)	Risk (L) X (I)	Possible Impact on Financial Strategy	Mitigation / Management
and future pay insufficient to meet liabilities		1% variation in total pay = £1.3m p.a.		above the provision would reduce the level of reserves	register Monitor progress on a frequent basis and update financial forecasts regularly particularly in the light of any new legal rulings
General inflation higher than the 2% forecast	3	3 0.5% change in inflation = £0.6m	9	Would reduce resources within budgets creating the need to find additional savings	Monitor inflation rates and impact on contract costs closely Risk provisions and service pressures provide some cover for higher inflation
Energy and fuel prices increase above 2%	4	3	12	Would reduce resources within budgets creating the need to find additional savings	Reduce consumption and implement measures to generate energy Monitor energy/fuel market for contracts closely Risk provisions and service pressures provide some cover for higher inflation
The council fails to reduce its carbon footprint resulting in higher than anticipated energy costs and need to	3	3	9	Would reduce resources within budgets creating the need to find additional savings	Develop council carbon budgets for services and report / monitor alongside financial budget.

Risk	Likelihood of occurrence (L)	Impact (I)	Risk (L) X (I)	Possible Impact on Financial Strategy	Mitigation / Management
purchase more allowances than anticipated under the CRC scheme					Programme of investment to reduce carbon footprint across the council
Investment interest rates lower than anticipated	4	3 0.5% lower = £0.25m	12	Would need more reserves to cover any shortfall in the investment interest budget	Keep investment strategy under constant review Review impact in light of changes proposed to housing finance from April 2012
Long term borrowing rates higher than anticipated	2	3 0.5% higher = £0.05m for each £10m borrowed	6	Would increase borrowing costs budget over the long-term Would hinder business cases involving borrowing and make invest to save schemes less financially attractive	Closely monitor long term borrowing rates and future borrowing requirements to help identify the best time to borrow
Services fail to operate within set budgets due to: <ul style="list-style-type: none"> • Increased service demand • Price variations • Unachieved income levels 	4	3 1% overspend on net GF budget = £2.3m in 2011/12	12	Departmental service pressures that can only be met through additional resources, such as the risk provision, or savings elsewhere in the budget. Reduction in reserves	Monitor corporate critical budgets and overall budget through TBM. Identify action plans to mitigate cost pressures. Apply cash limits but at least repay any use of reserves over no more than 3 years

Risk	Likelihood of occurrence (L)	Impact (I)	Risk (L) X (I)	Possible Impact on Financial Strategy	Mitigation / Management
<ul style="list-style-type: none"> Unachieved savings 					should risk materialise that cannot be accommodated by management or policy action.
Waste tonnages higher than projected resulting in additional disposal costs particularly landfill	2	4 1% increase in tonnage in 2011/12 = £0.1m p.a. over life of contract	8	Would increase the waste disposal budget and compensating savings would need to be identified elsewhere in the budget	Provision for higher tonnages made in assessment of waste PFI reserve Monitor and identify specific areas of growth and undertake waste minimisation and further recycling measures
Continuing difficult financial climate has a greater than anticipated impact on collection of income and commercial rents	3	3 1% reduction in income = £1.2m 1% reduction in commercial rents = £0.1m	9	Services would need to identify compensating savings and in particular look at whether expenditure could be reduced in those income generation areas	Identify action plans to mitigate income and rent shortfalls
The uncertainties within housing market and changes in housing benefit	3	3 10% increase in	9	Would create additional pressures in the Housing Strategy budget which would	Assess the potential impact of proposed changes to the housing benefit system and

Risk	Likelihood of occurrence (L)	Impact (I)	Risk (L) X (I)	Possible Impact on Financial Strategy	Mitigation / Management
create spending pressures within the homelessness budget		homelessness budget = £0.2m		need to find compensating savings	the introduction of universal credit and lobby accordingly
The number of children taken into care is higher than anticipated particularly following recent national high profile cases	3	3 1% increase in looked after children budget = £0.2m	9	Would create additional pressures in the children's services budget to find compensating savings	Monitor corporate critical budget through TBM and develop financial recovery plans
Increasing demand for adult social care services above projections	3	3 1% increase in adult social care budget = £0.8m	9	Would create additional pressures in the Adult Social Care & Housing, Learning Disabilities and Health led services budgets to find compensating savings	Monitor corporate critical budget through TBM and develop financial recovery plans
Major civil incident occurs e.g. storm, flooding, riot	2	3 Estimated "Bellwin" threshold = £0.8m	6	Budget overspend/reduction in reserves Pressures on other budgets	Ensure adequate levels of reserves to cover threshold expenditure Ensure appropriate insurance cover is in place.

Risk	Likelihood of occurrence (L)	Impact (I)	Risk (L) X (I)	Possible Impact on Financial Strategy	Mitigation / Management
Severe winter weather places additional spending pressures on winter maintenance and other budgets across the council	3	3 Depends on severity of weather event and length of cold snap	9	Need to use reserves in one-off risk provisions	Advance planning to minimise possible disruption
Pupil numbers lower than projected	2	3 1% of Dedicated Schools Grant = £1.5m	6	Schools funding through dedicated schools grant lower than anticipated.	Review & improve pupil number projections. Consultation with schools forum.
Cost overruns occur on schemes in the agreed capital programme	2	3 1% cost overrun on total programme = £0.4m	6	Reserves or other capital resources redirected to fund overspend Unable to meet capital investment needs	Effective cost control and expenditure monitoring. Flexibility within programme to re-profile expenditure if necessary.
Capital receipts lower than anticipated	4	3 10% reduction in receipts = £0.6m	12	Fewer resources available for transport programme and other strategic funds	Flexible capital programme that allows plans to be reduced or re-profiled.

Risk	Likelihood of occurrence (L)	Impact (I)	Risk (L) X (I)	Possible Impact on Financial Strategy	Mitigation / Management
Further risks affecting 2013/14 onwards					
Re-localisation of business rates produces a loss of funding for the city council in 2013/14 and thereafter	3	4 2011/12 grant floor funding = £11m	12	Reductions in budgets or upward pressure on council tax	Model impact of possible options for change Lobbying Government on adverse impact of proposed changes
Council loses funding when the new system of business rate retention is periodically reset	3	4 1% of possible baseline = £0.9m	12	Reductions in budget or upward pressure on council tax	Lobbying Government on reset options and measures to avoid excessive volatility
Income from business rates is lower than expected	3	4 1% of business rates = £1m	12	Immediate impact on reserves Would require reduction in the budget for following year to repay reserves and meet ongoing resource shortfalls	Close monitoring of business rates yield and collection Consider measures to encourage growth in local businesses
Cash reductions in remaining specific grants in 2013/14 and beyond	3	4 5% reduction in	12	Reductions in budgets or upward pressure on council tax	Provisions for reductions made in resource forecasts Develop strategies to identify

Risk	Likelihood of occurrence (L)	Impact (I)	Risk (L) X (I)	Possible Impact on Financial Strategy	Mitigation / Management
causing additional budget pressures		specific grants = £1.5m			priorities and mitigate impact of reductions
Council fails to deliver a council tax benefit (CTB) scheme with a 10% cost reduction from 1 April 2013	2	3 1% of CTB = £0.26m	6	Reductions in budgets or upward pressure on council tax	Define as corporate critical budget, closely monitor and allow for periodic review of adopted scheme.
Number of council tax benefit claimants higher and / or CTB scheme costs more than anticipated	3	3 1% of CTB = £0.26m	9	Immediate impact on reserves Ability to review scheme to meet new financial pressures	Closely monitor claimant numbers Make appropriate changes to the scheme to reduce financial cost
Transfer of funding for Public Health responsibility from 1 April 2013 insufficient to meet existing service requirements and future demand	2	4	8	Reductions in budgets or upward pressure on council tax	Work closely with NHS to ensure appropriate budget transfer and full knowledge of current and future spending pressures. Monitor budget and spending closely and identify strategies to meet any additional resource requirements.

Risk	Likelihood of occurrence (L)	Impact (I)	Risk (L) X (I)	Possible Impact on Financial Strategy	Mitigation / Management
Reduction in Dedicated Schools Grant following review of existing formula and possible introduction of a national model for distribution between schools	3	4 1% reduction in DSG = £1.5m	12	Additional pressure on schools budgets	Respond to consultation papers and lobby Government on impact
New reimbursement arrangements after current concessionary fares fixed deals result in higher than anticipated costs	3	3 1% change = £0.1m	9	Reductions in budgets or upward pressure on council tax	Monitor national reimbursement arrangement and lobby DfT for changes Closely monitor local data including new smart-card data to inform reimbursement calculations Early negotiations with bus companies about options for new fixed arrangements
Pay assumptions for 2013/14 onwards are lower than agreed pay awards	3	4 0.25% change in pay award = £0.4m	12	Immediate impact on reserves if risk provisions prove insufficient Would require reductions in the budgets for the following	Monitor progress on pay award negotiations and wider national settlements

Risk	Likelihood of occurrence (L)	Impact (I)	Risk (L) X (I)	Possible Impact on Financial Strategy	Mitigation / Management
				year to repay reserves	
Pension costs increase at next actuarial review in 2014/15 to cover any deficit greater than anticipated	3	3 Each 0.1% additional employer contribution = £0.12m	9	Reductions in budgets or upward pressure on council tax	Implement actuarial advice on contribution rate. All employment decisions include allowance for full pension costs. Maximise contributions to pension fund where affordable

Likelihood: 1 – Almost impossible, 2 – Unlikely, 3 – Possible, 4 – Likely, 5 – Almost certain.

Impact: 1 – Insignificant, 2 – Minor, 3 – Moderate, 4 – Major, 5 – Catastrophic or fantastic.

Risk (L x I): 1-3 Low, 4-7 Moderate, 8-14 Significant, 15-25 High.