





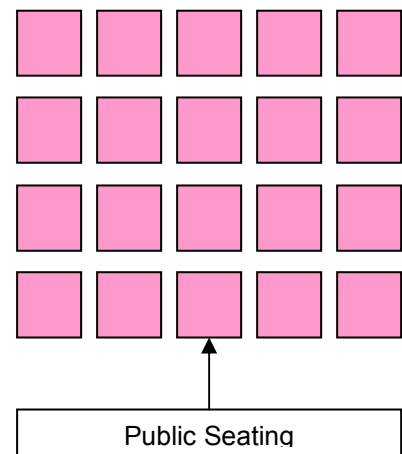
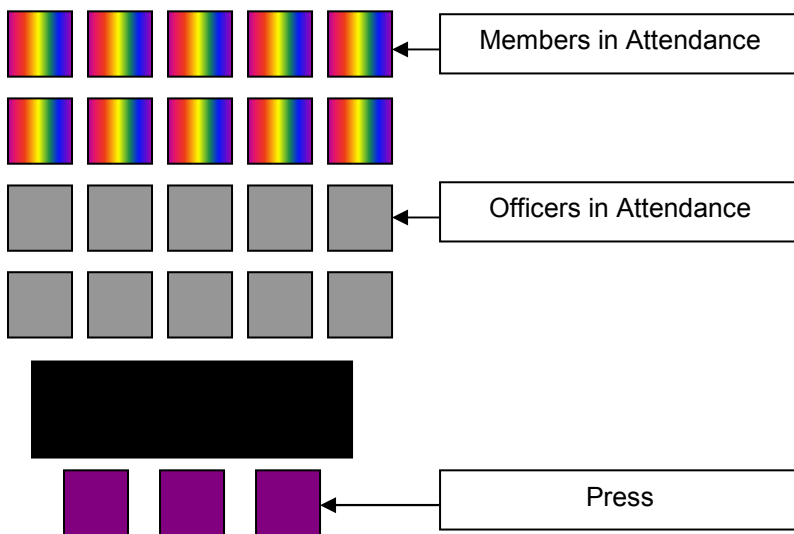
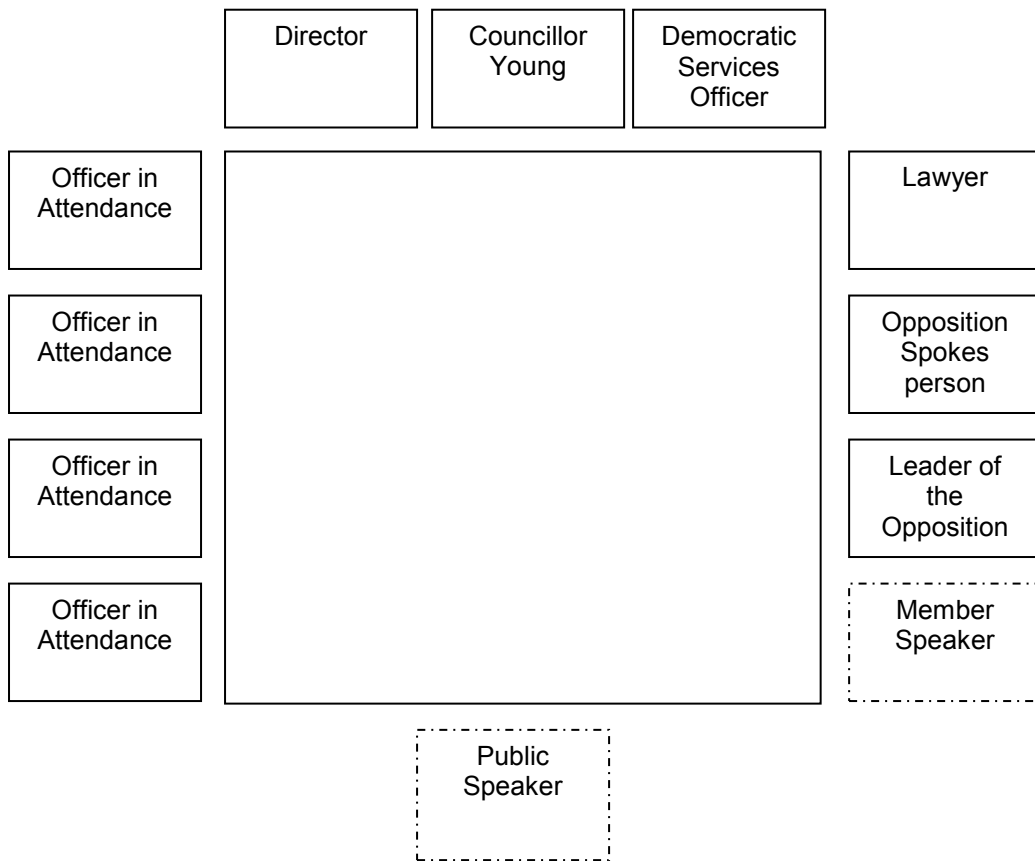
Brighton & Hove
City Council

Cabinet Member Meeting

Title:	Finance Cabinet Member Meeting
Date:	21 July 2008
Time:	4.00pm
Venue	Committee Room 1, Hove Town Hall
Members:	Councillor: Young (Cabinet Member)
Contact:	Nara Miranda Democratic Services Officer 01273 291004 (voicemail only) nara.miranda@brighton-hove.gov.uk

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Democratic Services: Meeting Layout



AGENDA

14. PROCEDURAL BUSINESS

- (a) Declarations of Interest by all Members present of any personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct.
- (b) Exclusion of Press and Public - To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

NOTE: Any item appearing in Part 2 of the Agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the public.

A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls.

15. MINUTES OF THE PREVIOUS MEETING

1 - 4

Minutes if the Meeting held on 4 June 2008 (copy attached).

16. CABINET MEMBER'S COMMUNICATIONS

17. ITEMS RESERVED FOR DISCUSSION

- (a) Items reserved by the Cabinet Member
- (b) Items reserved by the Opposition Spokesperson
- (c) Items reserved by Members, with the agreement of the Cabinet Member.

NOTE: Public Questions, Written Questions from Councillors, Petitions, Deputations, Letters from Councillors and Notices of Motion will be reserved automatically.

18. PUBLIC QUESTIONS

(The closing date for receipt of public questions is 12 noon on 14 July 2008)

No public questions received by date of publication.

FINANCE CABINET MEMBER MEETING

19. WRITTEN QUESTIONS FROM COUNCILLORS

No written questions have been received.

20. PETITIONS

No petitions received by date of publication.

21. DEPUTATIONS

(The closing date for receipt of deputations is 12 noon on 14 July 2008)

No deputations received by date of publication.

22. LETTERS FROM COUNCILLORS

No letters have been received.

23. NOTICES OF MOTIONS REFERRED FROM COUNCIL

No Notices of Motion have been referred.

24. MATTERS REFERRED FOR RECONSIDERATION

No matters have been referred.

25. REPORTS FROM OVERVIEW & SCRUTINY COMMITTEES

No reports have been received.

26. INCOME COLLECTION & RECOVERY 2007/08

5 - 18

Report of the Director of Finance & Resources (copy attached).

Contact Officer: Nigel Manvell

Tel: 01273 293104

Ward Affected: All Wards

27. TREASURY MANAGEMENT POLICY STATEMENT (INCORPORATING THE ANNUAL INVESTMENT STRATEGY) 2007/08 - END OF YEAR REVIEW

19 - 32

Report of the Director of Finance & Resources (copy attached).

Contact Officer: Peter Sargent

Tel: 29-1241

Ward Affected: All Wards

28. ANNUAL VALUE FOR MONEY AND EFFICIENCY REPORT

33 - 52

Report of the Director of Finance & Resources (copy attached).

Contact Officer: Nigel Manvell

Tel: 01273 293104

Ward Affected: All Wards

FINANCE CABINET MEMBER MEETING

The City Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public. Provision is also made on the agendas for public questions to committees and details of how questions can be raised can be found on the website and/or on agendas for the meetings.

The closing date for receipt of public questions and deputations for the next meeting is 12 noon on the fifth working day before the meeting.

Agendas and minutes are published on the council's website www.brighton-hove.gov.uk. Agendas are available to view five working days prior to the meeting date.

Meeting papers can be provided, on request, in large print, in Braille, on audio tape or on disc, or translated into any other language as requested.

For further details and general enquiries about this meeting contact Nara Miranda, (01273 291004 (voicemail only), email nara.miranda@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk

Date of Publication - Friday, 11 July 2008

BRIGHTON & HOVE CITY COUNCIL

FINANCE CABINET MEMBER MEETING

4.00PM, 4 JUNE 2008

ROOM 1 – BRIGHTON TOWN HALL

MINUTES

Present: Councillor Young, Cabinet Member for Finance.

Also in attendance:

Cabinet Member/s: Councillor Fallon-Khan, Cabinet Member for Central Services.

Other Members:

Councillors: Hamilton, Opposition Spokesperson; Harmer-Strange.

PART ONE

1 PROCEDURAL BUSINESS

1a Declarations of Interests

1.1 There were none.

1b Exclusion of Press and Public

1.2 The Committee considered whether the press and public should be excluded from the meeting during the consideration of any items contained in the agenda, having regard to the nature of the business to be transacted and the nature of the proceedings and the likelihood as to whether, if members of the press and public were present, there would be disclosure to them of confidential or exempt information as defined in Schedule 12A, Part 5A, Section 100A(4) or 100 1 of the Local Government Act 1972 (as amended).

1.3 **RESOLVED** - That the press and public be not excluded from the meeting.

2. TERMS OF REFERENCE

2.1 The Cabinet Member considered a report of the Director of Strategy & Governance relating to the Terms of Reference for the Finance Cabinet Member Meeting (for copy see minute book).

2.2 **RESOLVED** – That the Terms of Reference for the Cabinet Member Meeting for Finance be noted.

3 MINUTES

- 3.1 **RESOLVED** – That the minutes of the Finance Management Sub-Committee meeting held on 28 March 2008 be noted.

4 CABINET MEMBER'S COMMUNICATIONS

- 4.1 The Cabinet Member welcomed Members, officers and members of the public to the first meeting of the Cabinet Member Meeting for Finance. She also introduced Councillor Harmer-Strange as the Lead Councillor supporting her at the Cabinet Member Meeting for Finance.
- 4.2 The Cabinet Member explained that she intended to conduct the Cabinet Member Meetings for Finance in an open way, and would try to ensure that all political groups were kept informed of the decisions.
- 4.3 The Cabinet Member indicated that the Council faced significant financial challenges, with pressure on several areas. She clarified that, despite the tight financial constraints, the Administration was determined to reduce the rate of increases in council tax and keep a tight focus on improving value for money. She indicated that a key part of the Cabinet Member for Finance's role was to advise the Cabinet as a whole on financial issues. Therefore, within her portfolio, she would also be interested in the financial information and implications, which would be considered by other Cabinet Members.
- 4.4 The Cabinet Member clarified that a number of reports, including updates on the Council's efficiency savings targets, corporate value for money programme, approach to improving income collection and recovery, approach to treasury management, would be brought to Cabinet Member Meetings for information. However, on occasions, they might require decisions to be made as well.
4. The Cabinet Member indicated that monthly meetings for the Finance Cabinet Member Meetings would probably be too frequent. In view of this, she proposed that these meetings should be held quarterly, although additional meetings could be called when necessary. She, therefore, confirmed that the next meeting scheduled for July 2008 would take place and quarterly from then onwards. She further stated that reports to be considered at next meeting would relate to an update on the Value for Money programme, the debt collection and recovery report for 2007/08, and an update on the treasury management.

5 ITEMS RESERVED FOR DISCUSSION

- 5.1 Members present sought clarification on point (c) of this item and who was entitled to reserve items for discussion.
- 5.2 The Director of Strategy & Governance clarified that any Member was entitled to do so with the agreement of the Cabinet Member. He further clarified that Members were requested to submit any wishes to speak to the Democratic Services Officer at least 24 hours in advance of the meeting. However, this was not a legal requirement.

5.3 Members present further enquired whether any Members in the audience wishing to speak and contribute to the debate could do so at the Cabinet Member meetings.

5.4 The Director of Strategy & Governance clarified that this was at the Cabinet Member's discretion.

5.5 **RESOLVED** – That the comments above be noted.

6 PUBLIC QUESTIONS

6.1 There were none.

7 WRITTEN QUESTIONS FROM COUNCILLORS

7.1 There were none.

8 PETITIONS

8.1 There were none.

9 DEPUTATIONS

9.1 There were none.

10 LETTERS FROM COUNCILLORS

10.1 There were none.

11 NOTICE OF MOTION REFERRED FROM COUNCIL

11.1 There were none.

12 MATTERS REFERRED FOR RECONSIDERATION

11.1 There were none.

13 REPORTS FROM OVERVIEW & SCRUTINY COMMITTEE

13.1 There were none.

The meeting concluded at 4.10 pm.

Signed

Chairman

Dated this

day of

2008

FINANCE CABINET MEMBER MEETING

Agenda Item 26

Brighton & Hove City Council

Subject:	Income Collection & Recovery 2007/08		
Date of Meeting:	21 July 2008		
Report of:	Director of Finance & Resources		
Contact Officer:	Name:	Nigel Manvell	Tel: 29-3104
	E-mail:	nigel.Manvell@brighton-hove.gov.uk	
Key Decision:	No		
Wards Affected:	All		

FOR GENERAL RELEASE

1 SUMMARY AND POLICY CONTEXT

- 1.1 To update the Cabinet Member for Finance on income collection and recovery performance for 2007/08 as at quarter 4 (March 2008) and highlight improvement and best practice actions.

2 RECOMMENDATIONS:

- 2.1 Note the contents of the report.

3 INCOME COLLECTION PERFORMANCE 2007/08

- 3.1 Monitoring collection performance is important for safeguarding the council's financial position and maximising income to support the provision of services. A number of income areas have high profile BVPI indicators, which are reported below, while others require local indicators and targets to be developed. Services monitor performance in many different ways but this report focuses only on key indicators and headline information. Key performance indicators are summarised in appendices A (current year) and B (2006/07 comparisons).

3.2 BVPI 9 Council Tax Collection

As at quarter 4, performance is expected to be 96.0% for the year although this is subject to final confirmation. This is 0.6% below the target of 96.6%. However, this is partly due to a change in the method of calculation provided by the Northgate system, which is required to meet the definition of the BVPI. Prior to this adjustment, the comparable rate in 2006/07 was 95.7%, which shows year-on-year improvement of 0.3% in the underlying performance. When looking at 2008/09 performance it will be important to review the targets for council tax collection in view of the new calculation methodology.

3.3 BVPI 10 NNDR Collection

As at quarter 4, performance is expected to be 97.6% for the year although this is subject to final confirmation. This is 0.9% below the target of 98.5% for the year. Just prior to the end of year, the Valuation Office notified the council of a large number of revaluations, which effectively significantly increased the in-year collection target. Unfortunately, this notification was so late that there was little opportunity to bill businesses for the extra NNDR charge before the end of the financial year. This has impacted on the BVPI collection rate for 2007/08 but it is expected that the extra charges will be collectible and this is just a timing issue at the year end.

3.4 BVPI 66a Housing Rent Collection and Arrears Recovery

Performance for 2007/08 is 97.8%, which is slightly above target (97.7%). However, this includes a small change to the method of calculation whereby “tolerated trespassers”, who are not legally tenants, are now no longer included in the BVPI. Performance is however improving well and, excluding the change in the method of calculation, is actually 1.1% better than last year.

3.5 BVPI 79bii Housing Benefit (HB) overpayments recovered as a percentage of the total amount of HB overpayment debt outstanding

The authority has recently received a windfall of £0.7m following the external audit of the 2005/06 Housing Benefit claim which concluded that our error rate (for overpayments of HB) was actually below the threshold at which additional subsidy is triggered. In 2006/07 and the current year we expect to be well below the threshold. Overpayment recovery in-year (BVPI 79bii) is running at 31.34%, which is 5.66% below the target of 37%. However, as shown in Appendix D, the overall level of overpayments outstanding has reduced by over £175,000 compared with the previous quarter.

3.6 Sundry Debt

Sundry debt collection suffered a short-term hiatus at the beginning of the year due to technical problems with the new financial system. These have now been substantially resolved and collection speed and recovery are improving month-on-month. Current collection performance shows that 69% of debts are collected within 60 days compared with a target of 80%. This has improved from 57% last quarter. Current in-year collection stands at 81% of debts raised while overall collection (i.e. including arrears) is at 89% compared with the target of 97.5%. Note however that it is rare to write-off Sundry Debts and although speed of collection and in-year collection are currently below target, this should not adversely affect the overall collection of debt which is expected to steadily improve.

3.7 ASC Debt

As with Sundry Debt, problems with the system at the start of the financial year have meant that speed of collection has been hampered and current performance indicates that 43% of debts are collected within 60 days compared with a target of 60% (up from 40% in quarter 3). Adult Social Care debt is one of the more “sensitive” debts to collect due to the vulnerability of clients. Benchmarking with other authorities (through the Cipfa Benchmarking Club) shows that all authorities take longer to collect these debts compared to

all other forms of income. The overall collection rate is estimated to be 90% compared with a target of 95% while the current in-year collection rate is at 84% of debts raised. As for Sundry Debt, it is unusual to write-off adult social care debts, however, slower collection runs the risk of service users dying before collection is achieved.

3.8 Parking Debt

Collection performance for quarter 4 is at 60.6% of all PCNs issued compared with 60.8% at quarter 3. This should result in a collection rate of 61% overall which compares with the rate achieved in 2006/07.

Recovery rates can be significantly affected by National Parking Adjudication Service rulings to cancel PCNs issued as well as other factors outside our control such as the reliability of information from the DVLA. This collection rate is known to be comparable with other authorities in the south.

3.9 Commercial Rents - Cluttons

Commercial rents are managed under contract by Cluttons. The contract includes performance targets for speed of collection; these are set at 85% of rents to be collected within 4 weeks, 90% within 8 weeks and 95% by the end of each quarter (i.e. overall collection rate target assuming 5% voids). Average performance for 2007/08 so far is 81.45% collected within 4 weeks, while overall collection is averaging 97.2% or 2.2% ahead of target.

4 AGE PROFILE OF OUTSTANDING DEBT

4.1 Appendix C shows the current age profile of debts outstanding while, more importantly, Appendix D shows the change in profile from the previous quarter. Aged debt profiles are a difficult area to report on in a standardised format as there are a number of different systems used to manage income and debt recovery and many of them have fixed reporting structures. However, as far as practicable, debts outstanding have been categorised under the same age bandings.

4.2 Reviewing the age profile of debts is important as it is a clear barometer of the performance of the collection units. Good performance would be indicated by most of the debt outstanding being less than 90 days old with lower amounts outstanding for later periods. If there are large amounts outstanding, say, over 1 year old this can indicate either inefficient collection and recovery and/or that there is an unrealistic policy of writing off debt that is unlikely to be recoverable. The council generally falls into the latter category, hence the ongoing work to clear out old debt that is never likely to be recovered. The age profile of debt should be monitored over time to identify trends.

4.3 Since quarter 3, most services are showing good trends in terms of reducing the age of debt outstanding. However, Council Tax and Adult Social Care are showing negative trends, which are currently being investigated by the respective units.

5 WRITE-OFF OF BAD DEBTS

5.1 As mentioned above, clearing out debt that is highly unlikely to be recovered or that is uneconomic to pursue is good practice and enables teams to focus

on speeding up collection and concentrating on the recovery of debts before they become unmanageable or non-traceable.

- 5.2 Over the past year teams have been undertaking more rigorous reviews of outstanding debt, particularly Housing Benefit overpayments and Council Tax. A review of Adult Social Care debt has also been undertaken following the merger with Corporate Debtors and a significant write-off has been submitted for 2007/08, mainly concerning unresolved debts with the old health authority (i.e. pre-PCT). Housing Rents are also reviewing current debts more rigorously and concentrating particularly on clearing out very old debts and identifying debts relating to vulnerable tenants whom they are assisting with benefit claims. The higher level of write offs should not have a detrimental effect on income budgets as the corresponding accounting provision for bad debts is likely to be reduced accordingly. This provision, which is in addition to debts written off in-year, is reviewed each year and currently stands at £25.694m.

6 IMPROVEMENTS ACTIONS FOR 2007/08 AND BEYOND

- 6.1 Improving the performance of income collection services is a matter for each service and the relevant directorate, however, the Corporate Debt Management Group plays an overarching role in ensuring that best practice is shared across services, that performance monitoring is standardised as far as possible and that collection units work with each other (e.g. data sharing) to maximise overall collection and recovery. Each quarter, a brief summary of improvement actions or implementation of best practice will be provided.

6.2 Best Practice Updates

6.2.1 Housing Rent

- A recent Internal Audit of the service (March 08) has reported that “considerable assurance” can be given that rent accounts are being managed appropriately and that sound internal controls are in place.
- e-benefits are expected to be introduced in June 08 to enable applicants to apply for Housing Benefit at letting meetings via a laptop. This info will be uploaded directly to the HB computer system and prioritised for processing. The system also allows officers to easily advise clients what other benefits they may be entitled to.
- The project to introduce a 48 or 50 week rent year is now going ahead. This will mean no rent charges over Christmas and Year End. Rents for remaining weeks will be higher. During these periods those in arrears will be expected to still keep to their repayment agreement but no additional debts will go on their accounts.
- Direct Debit drive – Housing Rent Accounting team have put together a project plan to directly promote the payment of rent by direct debit.
- Advertising Campaign – the service is currently working with the Tenant and Leaseholder Housing Income Management Group to devise an advertising campaign re the importance of paying rent, what could happen if you don't and what help is available to those with debts or who are struggling financially.

- Incentive Schemes – the service is working with the Tenant and Leaseholder Housing Income Management Group to devise a series of incentive schemes (or rewards) to encourage tenants to keep up with their rent payments. Includes researching what other organisations are doing and how successful those initiatives have been.

6.2.2 Council Tax and NNDR

- A new debt collection telephone techniques course has been introduced.
- Improved benchmarking information is now available following the Payment Review undertaken by Customer Services (which also recommended the closure of cash offices).
- There is increased activity on hard to collect debts. This is known as the Rossendale Collect scheme for cases that have had bailiff action that was unsuccessful and unsuitable for bankruptcy or Committal action.
- A new “abscond” procedure has been introduced to better target resources to tracing debtors.
- A new Corporate Debt Sub-group has been set up to support the implementation of the Corporate Debt Collection & Recovery Policy and improve cross-service working and data sharing.
- Closer working in respect of Street Naming and Renumbering has ensured that new properties are brought on stream accurately and quickly.

6.2.3 Housing Benefit

- The Recovery Team Leader is now working under a new protocol with the Court Team Leader to manage and prioritise overpayment recovery.
- Direct Debits for HB went live in December 2007. Mail shots were sent out to encourage take-up although many customers are already paying on Standing Orders. This initiative is therefore primarily aimed at new debtors. Take-up is now over 180 clients.
- A comprehensive 13-week induction programme has been put in place for new starters alongside an improved recruitment campaign. This has improved recruitment and retention of skills in this traditionally high turnover area of business.

6.2.4 Corporate Debtors Unit

- AUDDIS/paperless Direct Debits (DD) - a project is now underway which should see automated Direct Debits implemented during the summer. This will reduce the amount of administration needed to handle the growing number of accounts paid by DD. The same project will also investigate the possibility of implementing variable DDs, which could allow payment of Adult Social Care charges by this method.
- Bar Coding - all invoices are now bar coded. This allows customers the option to pay via Pay Point in local shops.

- Interest on Late Payment - the new financial system (Authority Financials) has a facility that allows interest on late payment of commercial invoices to be automatically charged.
- Debtors Statements - Debtors' Statements are now being developed and this will assist customers who need to see a brought forward balance on invoices.
- Document scanning and archiving – debtors' documents are now scanned and archived. These documents will be viewable from the Debtors system, which will speed up response times to customer queries and assist auditors and budget holders.
- Performance indicators - improved performance indicators are being developed. These will enable Debtor's managers to focus resources into lower performing debt areas and will also give senior managers a clearer view of the debt portfolio.
- Business process Re-engineering - a project to review and re-engineer all processes and procedures is underway to ensure that the unit runs at optimum efficiency levels and remains cost effective when benchmarked both with internal colleagues and other authorities. There is a particular focus on reducing the time spent by staff on the administration of the system rather than on debt recovery.

6.2.5 Parking Operations

- The service is moving to an Automated Voice Recognition 24 hour telephone payments system on 12 May (as opposed to the current system which only takes telephone payments during office hours).
- A web payments system will shortly be up and running which will link in with the parking management system and provide the facility to view the vehicle parked in contravention. This is in addition to the current system and both telephone / web system will allow real time updating of the system. It is hoped that expanding the times at which payments can be made by phone will further improve the recovery rate.
- Sussex Police have agreed to run Operation Bluebird on a quarterly basis. Ongoing campaigns such as this which combat blue badge misuse should help protect income.
- Following on from the implementation of the Traffic Management Act on 31 March, the service has applied for additional resources, some of which at off peak times can be allocated to the tracing of persistent evaders. Relevant staff will be trained in the use of Experian (an on-line tracing service) with the aim of improving the recovery rate.

6.3 Income Project Officer

- As reported last quarter, it is proposed to appoint a short term Project Officer to help the teams further identify and implement cross-cutting improvements. A bid has been submitted to the Transformation Fund to support the work.

7 CONSULTATION

- 7.1 No formal consultation has been undertaken in relation to this report.

8 FINANCIAL & OTHER IMPLICATIONS

Financial Implications:

- 8.1 Included within the body of the report.

Finance Officer consulted: Nigel Manvell Date: 6 July 2008

Legal Implications:

- 8.2 The council has a duty of best value and a general fiduciary duty to council tax payers to act with financial prudence. It is consistent with these duties to (a) make proper arrangements for billing and payment of income, monitoring of arrears and recovery of debts and (b) to keep the arrangements under review. All types of income to be collected by the council are subject to statutory rules and time limits for recovery. The Corporate Debt Management Group and the income collection teams must have regard to these in their collection and recovery processes.

Lawyer consulted: John Heys Date: 8th July 2008

Equalities Implications:

- 8.3 There are no direct equalities implications arising from this report, although poor income collection performance and associated loss of revenues may reduce opportunities or access to services and employment for communities of interest. Poorly managed income collection could impact on the council's financial standing, which could affect opportunities for investment and partnership working that may be advantageous to particular areas or groups. An Equalities Impact Assessment has been undertaken on the Corporate Debt Collection & Recovery Policy.

Sustainability Implications:

- 8.4 There are no direct sustainability implications arising from this report. However, it is believed that the reputation of the council's financial control framework and its ability to demonstrate sound budgetary control could have an impact on the willingness of other funding partners to invest in and with the council. This could affect the level of inward investment in respect of projects that contribute towards sustainability.

Risk and Opportunity Management Implications:

- 8.5 A risk assessment is undertaken in relation to the management of individual budgets including income targets.

Crime and Disorder Implications:

- 8.6 There are no direct prevention of crime and disorder implications arising from this report, although reductions in expenditure or service levels caused by not meeting income targets may impact on these issues.

Corporate / Citywide Implications:

- 8.7 The council's financial position impacts on levels of council tax and service levels and therefore has citywide implications. Income collection is an important element of the council's finances.

9 EVALUATION OF ANY ALTERNATIVE OPTION(S)

- 9.1 The report is for noting.

10 REASONS FOR REPORT RECOMMENDATIONS

- 10.1 Collection of income and management of debts is critical to the council's finances with over £300 million income collected. These quarterly reports will ensure that the Cabinet Member for Finance is aware of the council's current performance and arrangements for continually improving income collection and recovery.

SUPPORTING DOCUMENTATION

Appendices:

- (1) Appendix A – Debt Collection Performance 2007/08
- (2) Appendix B – 2006/07 Comparative Performance
- (3) Appendix C – Aged Debt Profile – Quarter 4
- (4) Appendix D – Aged Debt Profile (Movement from Last Quarter)

Documents In Members' Rooms

- (1) None

Background Documents

- (1) None

Debt Collection Performance 2007/08						
Measure	Year-to-Date	Target	Outturn for Year	Distance from Target	Current Status	Movement (See Key below)
Debt						
Sundry Debtors	89.0%	97.5%	89.0%	8.5%	RED	↔
Adult Services Debtors	90.0%	95.0%	90.0%	5.0%	RED	↔
Housing Rents	97.8%	97.7%	97.8%	-	GREEN	↔
Parking - PCN's Paid	60.6%	61.0%	60.6%	0.4%	AMBER	↓
BVP19 - Council Tax Collection	95.8%	96.6%	95.8%	0.8%	AMBER	↓
BVP110 - NNDR (Business Rates) Collection	97.6%	98.5%	97.6%	0.9%	AMBER	↓
Rent from Managed Portfolio (agricultural)	76.0%	85.0%	85.0%	-	GREEN	↔
Rent from Managed Portfolio (commercial)	97.2%	95.0%	96.5%	-	GREEN	↔

Performance Measure

Overall Collection Rate	GREEN
Overall Collection Rate	AMBER
Overall Collection Rate	RED
Overall Collection Rate	
Overall Collection Rate	
Overall Collection Rate	
Collected within 4 weeks	
Overall Collection Rate	

- Meets or exceeds target GREEN
- Less than 1% short of target AMBER
- More than 1% below target RED

- ↔ No change from last report
- ↕ Position has improved since last month
- ↔ Position has worsened since last month

2006/07 Comparative Performance

Performance Indicator	Income Type: Description	Brighton & Hove 2006-07	Unitary Average	Unitary Upper Quartile	Unitary Median
BVPI 9	Council Tax: The % of domestic Council Tax received as a % of the total Council Tax expected to be received by the council	96.8%	96.6%	98.1%	96.8%
BVPI 10	Business Rates: The % of Business Rates collected as a % of the total Business Rates expected to be received by the council	98.4%	98.8%	99.3%	98.9%
BVPI 66a	Housing Rents: The Housing Rent collected is the total amount of rent collected during the year, less any payments of arrears for earlier years from former tenants	96.4%	97.7%	98.6%	97.8%
BVPI 79bii	HB Overpayments: This indicator measures the value of Housing Benefit overpayments recovered during the period being reported on as a percentage of the value of recoverable overpayments identified by the local authority on or after 1st April 2000	30.9%	33.3%	38.4%	31.3%
Cipfa Benchmark	Commercial Rents: Debtor Days	84 days	71 days	n/a	n/a
Cipfa Benchmark	Sundry Debts: Debtor Days	94 days	79 days	n/a	n/a
Cipfa Benchmark	Adult Social Care: Debtor Days *	229 days	88 days	n/a	n/a
Local	Parking Fines	61.0%	n/a	n/a	n/a

* Excludes all client charges relating to spot purchase and block contract. We are one of only a few authorities who pay providers net of client charges, which are therefore collected at the point of payment to the provider. Cipfa benchmarking requires that we do not include these debts but if these were included, debtor days would be well below the unitary average.

Appendix C - Aged Debt Profile (Quarter 4)

Debt	Debt Raised In Year £'000	Debt Outstanding £'000	Aged Debt Outstanding					
			<= 30 days £'000	<=60 days £'000	<= 90 days £'000	<= 6 months £'000	<= 1 year £'000	> 1 Year £'000
Housing Rent (Former Tenant Arrears)	n/a	1,717	24	22	34	95	130	1,412
Housing Rent (Current Tenants)	39,667	1,489	83	84	49	136	214	923
Sundry Debtors	30,813	7,255	2,764	745	1,044	635	780	1,287
Adult Social Care	15,461	5,413	1,358	388	445	297	736	2,189
Council Tax	106,208	15,437	3,386		1,273	719	1,578	8,481
NNDR	81,438	4,585	2,293		538	332	114	1,308
Housing Benefit Overpayments *	4,357	3,553	244	225	290	356	506	1,932
Parking Operations (PCNs)	5,903	3,162	251	187	185	518	782	1,239
Commercial Rents **	6,446	1,317	984	41	2		290	

Figures spanning more than 1 period represent data where system or contract information cannot currently provide a more detailed breakdown.

For example, we are able to determine that £2,293k of NNDR debt is less than 60 days old but are currently unable to analyse this further between 60 and 30 days old.

* Excludes amounts recovered through DWP benefit clawback

Debt	Aged Debt Outstanding as a percentage of Debt Outstanding					
	<= 30 days %	<=60 days %	<= 90 days %	<= 6 months %	<= 1 year %	> 1 Year %
Former Tenant Arrears	1.4%	1.3%	7.5%		7.6%	82.2%
Housing Rent (Current Tenants)	5.6%	5.6%	3.3%	9.1%	14.4%	62.0%
Sundry Debtors	38.1%	10.3%	14.4%	8.8%	10.8%	17.7%
Adult Social Care	25.1%	7.2%	8.2%	5.5%	13.6%	40.4%
Council Tax	21.9%		8.2%	4.7%	10.2%	54.9%
NNDR	50.0%		11.7%	7.2%	2.5%	28.5%
Housing Benefit Overpayments	6.9%	6.3%	8.2%	10.0%	14.2%	54.4%
Parking Operations (PCNs)	7.9%	5.9%	5.9%	16.4%	24.7%	39.2%
Commercial Rents **	74.7%	3.1%	0.2%		22.0%	

** Quarter 3 information shown. Quarter 4 monitoring report from Cluttons is not yet available.

Appendix D - Aged Debt Profile (Movement from last quarter)

Debt	Change in Debt O/S £'000	Aged Debt Outstanding (Movement)					
		<= 30 days £'000	<=60 days £'000	<= 90 days £'000	<= 6 months £'000	<= 1 year £'000	> 1 Year £'000
Housing Rent (Former Tenant Arrears)	-1,432	4	-22	-91		-87	-1,331
Sundry Debtors	-835	438	-297	508	-1,201	-279	-4
Adult Social Care	-654	716	-1,501	160	-153	64	60
Council Tax	-2,880	-875		65	-564	-292	-1,214
NNDR	-812		392		-472	-370	-362
Housing Benefit Overpayments *	-177	-51	57	30	35	-72	-176
Parking Operations (PCNs)	-218	88	-8	-27	-52	5	-224
Commercial Rents	0	0	0	0	0	0	0

Debt	Aged Debt Outstanding as a percentage of Debt Outstanding (Movement)					
	<= 30 days %	<=60 days %	<= 90 days %	<= 6 months %	<= 1 year %	> 1 Year %
Former Tenant Arrears	0.8%	-0.1%		3.5%	0.7%	-4.9%
Sundry Debtors	9.3%	-2.6%	7.8%	-13.9%	-2.3%	1.8%
Adult Social Care	14.5%	-24.0%	3.5%	-1.9%	2.5%	5.3%
Council Tax	-1.3%		1.7%	-2.3%	0.0%	2.0%
NNDR	4.8%		11.7%	-7.7%	-6.5%	-2.4%
Housing Benefit Overpayments	-1.0%	1.8%	1.2%	1.4%	-1.3%	-2.1%
Parking Operations (PCNs)	3.1%	0.1%	-0.4%	-0.5%	1.7%	-4.1%
Commercial Rents	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

FINANCE CABINET MEMBER MEETING

Agenda Item 27

Brighton & Hove City Council

Subject: Treasury Management Policy Statement
(incorporating the Annual Investment Strategy)
2007/08 - End of year review.

Date of Meeting: 21 July 2008

Report of: Director of Finance & Resources

Contact Officer: Name: Peter Sargent, Loans & Technical Manager
Tel: 29-1241

E-mail: peter.sargent@brighton-hove.gov.uk

Key Decision: No

Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Treasury Management Policy Statement (TMPS) and the Treasury Management Practices (including the schedules) for the year 2007/08 were approved by Policy & Resources Committee on 1 March 2007. The TMPS sets out the key role for treasury management, whilst the practices and schedules set out the annual targets for treasury management and the methods by which these targets shall be met.
- 1.2 The TMPS includes an annual investment strategy, which sets out the key investment parameters for council cash funds. Full Council approved the investment strategy on 8 March 2007.
- 1.3 The purpose of this report is to advise of the action taken during the second half of the financial year 2007/2008 on the TMPS, including the investment strategy (the action for the first half year was reported to Financial Management Sub Committee on 23 November 2007).

2. RECOMMENDATIONS:

- 2.1 To endorse the action taken during the second half year to meet the treasury management policy statement and practices (including the annual investment strategy); and
- 2.2 To note the authorised limit and operational boundary set by the Council have not been exceeded.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 Overview of markets

The crisis in the financial markets abated marginally during the second half year. Despite Bank of England intervention short-term interest rates remained above official levels.

The action taken by the Director of Finance & Resources in August 2007 to limit investment in all counterparties to a maximum of one month was reassessed during the period. The limits on all but a few counterparties were restated as further information became available but a number of institutions were either suspended or removed altogether.

An overview of the market is set out in Appendix 1 to this report.

3.2 Treasury Management Strategy

A summary of the action taken in the period October 2007 to March 2008 is provided in Appendix 2 to this report.

Treasury management is one of the criteria used in the comprehensive performance assessment to judge use of resources. The criteria require that “the council has a treasury management strategy that reflects the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services.” In 2007/08 this criteria was satisfied.

Action taken has reduced the average cost of the debt portfolio from 4.79% per annum to 4.75%pa over the year. In addition investment returns for the year have been higher than included in the 2007/08 Budget as follows:

	In-house – core investments	In-house – cash flow investments	Cash manager investments
Budget 2007/08	5.00%	5.00%	5.00%
Benchmark rate (i.e. average market rate)	5.59%	5.59%	5.78%
Actual rate	5.88%	5.91%	5.24%

The above performance, together with better than expected cash flow balances, has contributed towards an underspend on the financing costs budget of circa £1.4m in 2007/08. The following table summarises the areas of major underspend.

Budget 2007/08		£8,450k
<u>Impact of action taken by in-house treasury team</u>		
• debt rescheduling	- £56k	
• above benchmark performance on investments	- £287k	- £343k
<u>Impact of market factors</u>		
• lower average debt outstanding	-£110k	
• higher average investment balances outstanding (e.g. cash flows)	- £933k	

• higher interest rates	- £548k	- £1,591k
<u>Impact of action taken by cash manager</u>		-£7k
<u>Higher investment income paid on internal funds, etc</u>		£567k
Actual 2007/08		£7,076k

The two borrowing limits approved by full Council in March 2007 – the ‘authorised limit’ and ‘operational boundary’ – have not been exceeded during the year.

3.3 Socially responsible investments

The council continues to promote its’ ethical investment strategy with institutions within which it deposits money. Investment counterparties are advised of the following statement each and every time a deposit is placed with them:

“Brighton & Hove City Council, in making investments through its treasury management function, fully supports the ethos of socially responsible investments. We will actively seek to communicate this support to those institutions we invest in as well as those we are considering investing in by:

- *encouraging those institutions to adopt and publicise policies on socially responsible investments;*
- *requesting those institutions to apply council deposits in a socially responsible manner.”*

At the request of the Financial Management Sub Committee in March 2008 a survey on how investment counterparties are responding to the statement has been initiated. Responses received suggest a move towards socially responsible investments in a number of the institutions surveyed.

4. CONSULTATION

The council’s external treasury advisor has contributed to this report.

5. FINANCIAL & OTHER IMPLICATIONS

5.1 Financial Implications

The financial implications arising from the action taken under the TMPS are included in Financing Costs. Details of the 2007/08 outturn for financing costs are included under Section 3.2 above.

The high level of interest rates experienced since August 2007 has continued in to the early months of 2008/09. Projecting forward this is likely to have a beneficial impact on the Financing Costs budget in 2008/09. Details of the impact will be reported to Members through the ‘targeted budget management’ process.

Finance Officer consulted : Peter Sargent (9 June 2008)

5.2 Legal Implications

The TMPS and action under it must be in accordance with Part I of the Local Government Act 2003 and regulations issued thereunder. Relevant guidance also needs to be taken into account.

This report is for information purposes only and as such it is not considered that anyone’s rights under the Human Rights Act will be adversely affected by it.

Lawyer consulted : John Heys (9 June 2008)

5.3 Equalities Implications

No equalities impact assessment is required for this report.

5.4 Risk and Opportunity Management Implications

Action taken in the six months to March 2008 is consistent with the risks identified within the TMPS and associated schedules.

5.5 Sustainability / Crime & Disorder / Corporate / Citywide Implications

None arising from this report.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

This report sets out action taken in the six months to March 2008. No alternative options are therefore considered necessary.

7. REASONS FOR REPORT RECOMMENDATIONS

Treasury management is governed by a code that is recognised as 'best and proper practice' under the Local Government Act 2003. The Code requires a minimum of two reports per year, one of which is a report looking back at the closing year. This report fulfils this requirement.

SUPPORTING DOCUMENTATION

Appendices:

Appendix 1 – Economic background

Appendix 2 – A summary of the action taken in the period October 2007 to March 2008

Appendix 3 – Performance and balances

Appendix 4 – Prudential indicators 2007/08 Actual

Documents In Members' Rooms

None

Background Documents

Part I of the Local Government Act 2003 and associated regulations

The Treasury Management Policy Statement and associated schedules 2007/08 approved by Policy & Resources Committee on 1 March 2007

The Annual Investment Strategy 2007/08 approved by full Council on 8 March 2007

Papers held within Strategic Finance, Finance & Resources

The Prudential Code for Capital Finance in Local Authorities published by CIPFA 2003

Economic Background for 2007/08

The rising trend in UK interest rates continued in the first half of the 2007/08 financial year. The domestic economic backdrop continued to present problems for the Monetary Policy Committee, notably in the early summer. Inflation (as measured by the consumer prices index) breached the 3% upper limit of the Government's target range in April (reported in May), consumer spending growth remained buoyant and an expanding number of companies expressed intentions to raise prices.

Official Bank Rate was raised to 5½% in May and 5¾% in July in response to the deteriorating inflation outlook. In addition, the Bank of England's May and August Inflation Reports hinted that more hikes might be necessary.

The market was plunged into chaos in late August as the tightening of credit conditions, triggered initially by the failure of a selection of US mortgage lending institutions, undermined investor confidence. The London Interbank Offer Rate (that is the rate at which banks lend to each other) rose to well over 6½% as financial organisations' reluctance to lend money to counterparties sparked a severe shortage of funds in the market. In the UK, the crisis came to a head with the failure of the Northern Rock Bank (September) and while the danger of potential meltdown was defused by the Government's decision to guarantee all deposits with this institution, this failed to prevent a prolonged tightening of credit conditions.

Central banks strove to boost market liquidity via the injection of funds to the banking system and there were signs that this might be working in January. But a series of disappointing financial results and a persistent undercurrent of mistrust ensured a wide margin between official and market rates continued to year end.

The credit crisis provoked a significant change in the Bank of England's assessment of UK economic prospects over the medium term. It was clearly concerned that the tightening of liquidity and the consequent rise in borrowing rates across the entire economy could lead to a rapid slowdown in activity. This would help to contain inflation pressures. Bank Rate was cut by ¼% on two occasions, December and February, to end the year at 5¼%.

Long-term rates (gilt yields & Public Works Loan Board rates) charted an erratic course. The upward pressure on rates in evidence in the closing stages of 2006/07 continued into 2007/08 as concerns persisted that international interest would need to rise further to combat mounting inflation pressures.

Gilt yields peaked in late June and started to slip lower in the summer months. The flight to safe investments triggered by the financial crisis placed strong downward pressure upon gilt-edged yields in August/September notably at the short end of the maturity range and the rally in this part of the market gained momentum as the year drew on.

Progress to lower levels was erratic and limited in the early months of 2008, but the general trend in yields was to lower levels. The most notable development was the reversion of the yield curve to a strongly-positive incline.

A summary of the action taken in the period October 2007 to March 2008

Treasury Management Strategy

New long-term borrowing

Long-term borrowing (including a restructure of a market loan) totalled £18m in the 2nd half of the year, as set out in the following table.

Table 1 – New long-term borrowing October 2007 to March 2008

<u>Date raised</u>	Amount	Rate	Period
<i>Fund capital</i>			
PWLB – 13 March 2008	£3,000,000	3.99%	4 yrs
<i>Replace maturing debt</i>			
Dexia Credit Local – 25 January 2008	£5,000,000	3.98%	70 yrs
<i>Restructure</i>			
Barclays Bank – 25 March 2008	£10,000,000	4.65%	70 yrs
	£18,000,000		

The loan raised on 13 March 2008 forms part of the 2008/09 funding requirement.

Debt maturity

There was no debt maturing during the 2nd half-year.

Weighted average maturity of debt portfolio

The weighted average maturity period of the debt portfolio has increased marginally during the 2nd half-year (Table 2).

Table 2 – Weighted average maturity profile – debt portfolio

<u>Date raised</u>	Sept 2007	Sept 2007 balance as at Mar 2008 (*)	Mar 2008 (**)
Weighted average maturity period	36.56 yrs	36.05 yrs	38.27 yrs
(*) the 'Sept 2007 balance as at Mar 2008' figure reflects the natural 'time elapse' reduction in the average period of the debt portfolio			
(**) the weighted average maturity period as at 1 April 2007 was 32.79 years			

Debt rescheduling

An opportunity to restructure a market loan was taken during the 2nd half-year. The full year saving in interest charges is estimated at £30k after costs.

Capital financing requirement

The prudential code introduces a number of indicators that compare 'net' borrowing – borrowing less investment – with the capital financing requirement (the capital financing requirement being amount of capital investment met from borrowing). Table 3 compares

the capital financing requirement with net borrowing but equally as important to actual borrowing.

Table 3 – Capital financing requirement compared to debt outstanding

	31 Mar 2007	31 Mar 2008	Movement in year
Capital financing requirement (CFR)	£232.4m	£235.8m	+£3.4m
Outstanding debt	£233.9m	£239.9m ^(*)	+£6.0m
Investments	£96.9m	£116.6m	-£19.7m
Net debt	£137.0m	£123.3m	-£13.7m
O/s debt to CFR	100.6%	101.7%	+1.1%
Net debt to CFR	59.0%	52.3%	-6.7%

(*) includes £3m borrowed in advance of 2008/09 CFR requirements. 'O/s debt to CFR' reduces to 100.5% if this sum excluded.

Advice received from the council’s external advisors suggests that borrowing should be at or near the maximum permitted in order to reduce the risk that demand for capital investment (and hence resources) will fall in years of high interest rates. The above table shows that borrowing is consistent with this advice.

Cash flow debt / investments

The TMPS states the profile of any short-term cash flow investments will be determined by the need to balance daily cash flow surpluses with cash flow shortages. An analysis of the cash flows reveals a net shortfall for the 2nd half-year of £19.7m (Table 4).

Table 4 – Cash flow October 2007 to March 2008

	Payments	Receipts	Net cash
Total for period	£353.0m	£333.3m	-£19.7m
Increase in long-term borrowing			+£8.0m
Net movement in short term position			-£11.7m

Taking into account the increase in net long-term borrowing the total cash shortfall amounted to £11.7m for the 2nd half-year. After adjusting for the increase in the funds invested by the cash manager of £0.6m the net shortfall is reduced to £11.1m. The shortfall has been funded by reducing the level of investments (Chart 2, Appendix 3). This has negated the need to use short-term borrowing during the period.

Overall the cash position for the year is a net surplus of £12.3m.

Prudential indicators

Full Council approved a series of prudential indicators for 2007/08 at its meeting in March 2007. Taken together the indicators demonstrate that the council’s capital investment plans are affordable, prudent and sustainable. Full details are set out in appendix 4.

In terms of treasury management the main indicators are the ‘authorised limit’ and ‘operational boundary’. The authorised limit is the maximum level of borrowing that can be outstanding at any one time. The limit is a statutory requirement as set out in the

Local Government Act 2003. The limit includes ‘headroom’ for unexpected borrowing resulting from adverse cash flow.

The operational boundary represents the level of borrowing needed to meet the capital investment plans approved by the council. Effectively it is the authorised limit minus the headroom and is used as an in-year monitoring indicator to measure actual borrowing requirements against budgeted forecasts.

Table 5 compares both indicators with the maximum debt outstanding in the 2nd half-year.

Table 5 – Comparison of outstanding debt with Authorised Limit and Operational Boundary 2007/08

	Authorised limit	Operational boundary
Indicator set	£267m	£246m
Maximum amount o/s during the year	£239.9m	£239.9m
Variance	£27.1m ^(*)	£6.1m

(*) can not be less than zero

Performance

The series of charts in Appendix 3 provide a summary of the performance for both the debt and investment portfolios.

In summary the key performance is as follows:

- Chart 1 shows the average cost of the long-term debt portfolio reducing to 4.75%, a reduction from the 4.79% at the beginning of the year;
- Chart 2 shows the level of investment managed by the cash manager and the in-house treasury team. The sum invested by the cash manager increases as investment income is reinvested. The amount invested by the in-house treasury team is analysed between cash flow investments (that are invested to meet short-term cash commitments) and core investment (that have a longer investment profile to match the spending profile for both the revenue & capital investment programmes).
- Chart 3 compares the returns achieved on external investments with the benchmark rate of 7-day LIBID rate for the in-house treasury team and 7-day LIBID rate (compounded) for the cash manager. The chart confirms that the investment performance of:
 - the in-house treasury team has matched the target rate on both cash flow and core investments, the target rate being 105% of the benchmark rate. The return for the year was 5.91% (cash flow) and 5.88% (core) against a benchmark rate of 5.59% (target rate 5.87%);
 - the investment performance of the cash manager has fallen below the benchmark rate. The return for the year was 5.24% against a benchmark rate of 5.78%. The below benchmark return is attributable to investments in gilts that underperformed against other markets.

Approved organisations – investments

There were no breaches of the investment criteria during the second half-year.

Changes to PWLB funding

In November 2007 the PWLB introduced three changes to their lending conditions that have an impact on the cost of new borrowing and the cost of restructuring existing debt:

- Interest rates on new borrowing now set at half-yearly brackets rather than periods of one or 5 years;
- Interest rates expressed in increments of one basis point (0.01%) rather than the previous $\frac{1}{8}\%$ age point (0.125%); and
- A separate set of lower rates to calculate the cost of repaying debt early.

The first two changes have had little impact on new borrowing. However the third change has substantially increased the cost of restructuring debt, thereby reducing the benefits of such actions.

Performance and balances

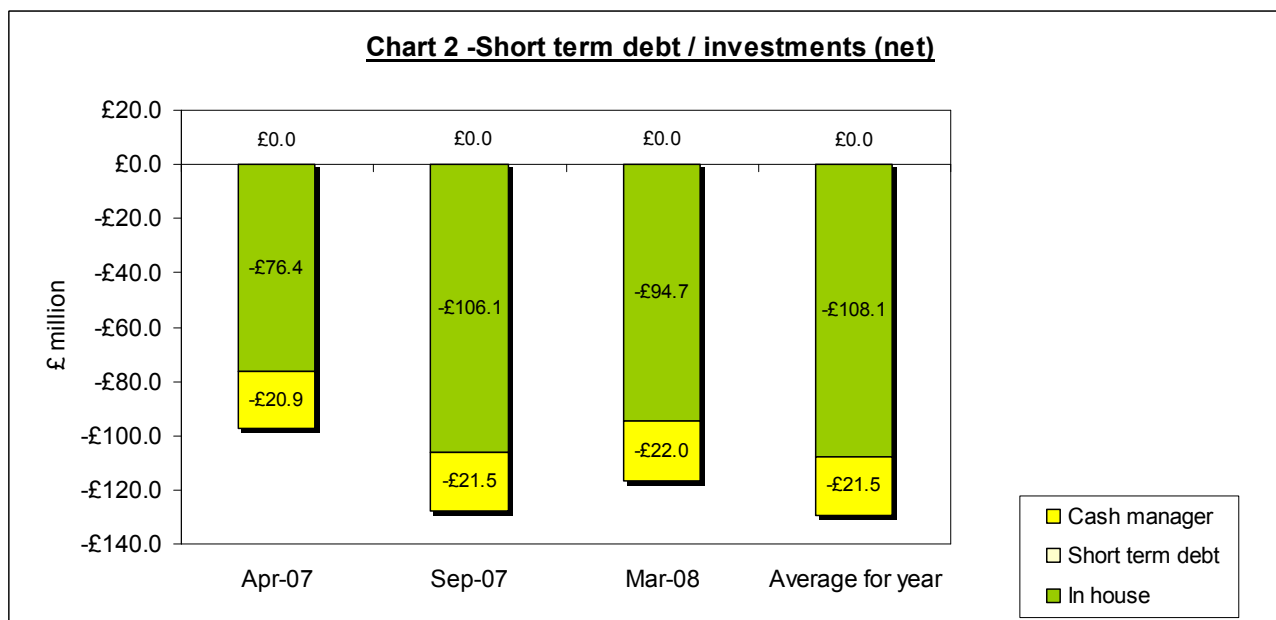
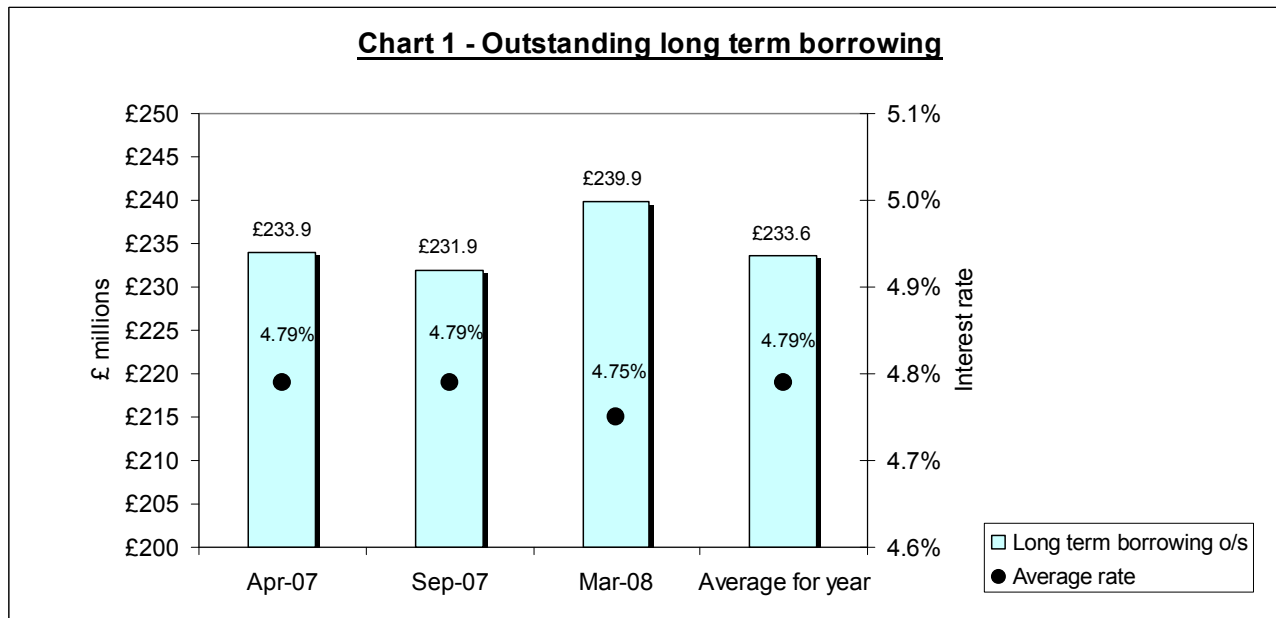


Chart 3 - Performance indicators 2007/08 : variation from benchmark (x axis) and target rate (105% times benchmark)

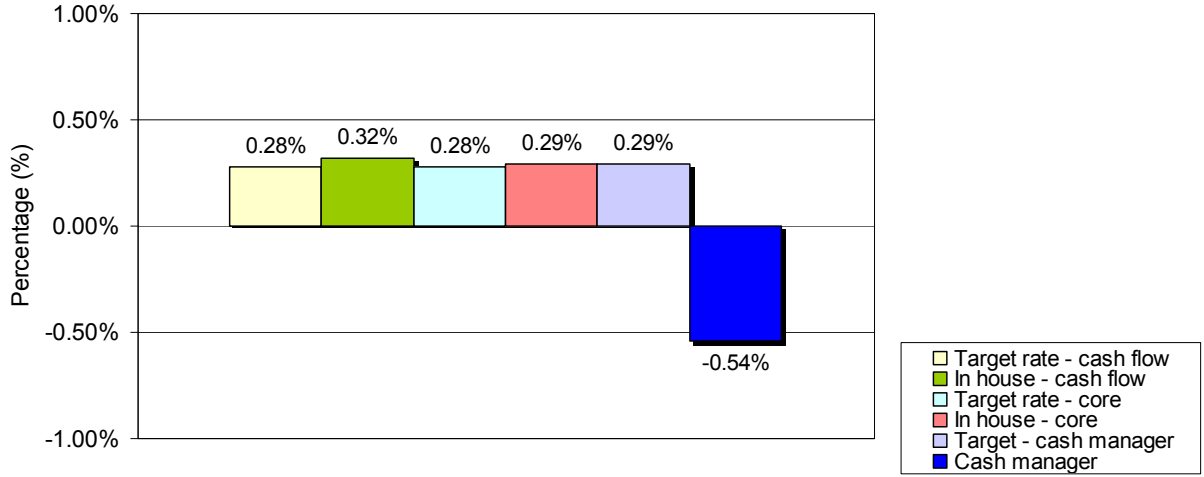
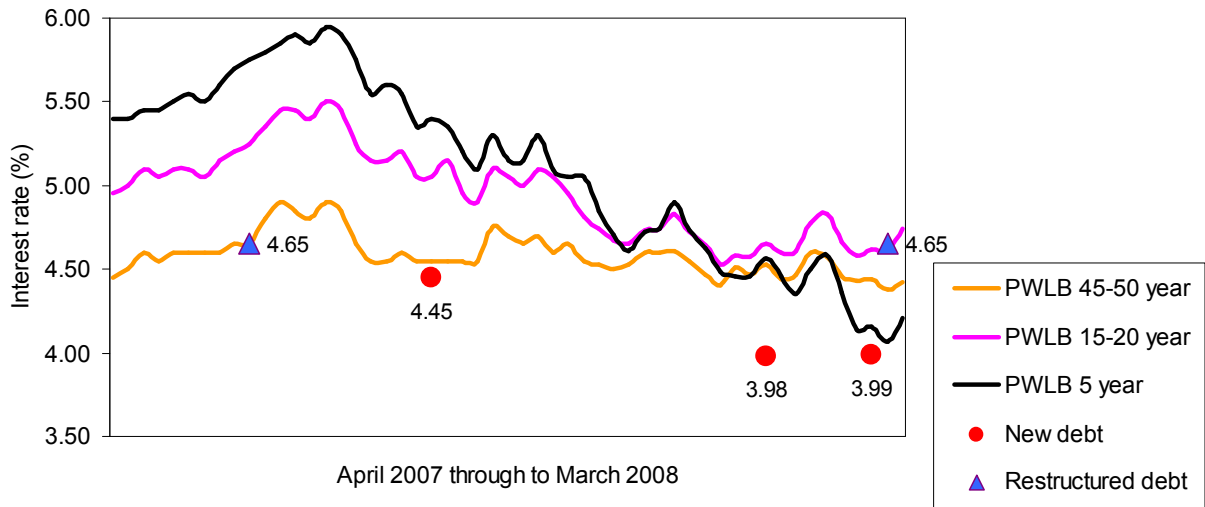


Chart 4 - PWLB interest rates / timing of new borrowing



Prudential indicators 2007/08 Actual

The following prudential indicators are required to be reported under the Prudential Code for Capital Finance in Local Authorities (published by CIPFA).

<u>Prudential indicator</u>	<u>Actual indicator 2007/08</u>
Actual ratio of financing costs to net revenue stream 2007/08	
- Non HRA	2.6%
- HRA	29.8%
Actual capital financing requirement as at 31 March 2008	
- Non HRA	£145.678m
- HRA	£90.148m
- Total	£235.826m
Actual external debt as at 31 March 2008	
- Actual borrowing	£239.914m
- Actual other long term liabilities	£0.000m
- Total	£239.914m

FINANCE CABINET MEMBER MEETING

Agenda Item 28

Brighton & Hove City Council

Subject:	Annual Value for Money & Efficiency Report		
Date of Meeting:	21 July 2008		
Report of:	Director of Finance & Resources		
Contact Officer:	Name:	Nigel Manvell	Tel: 29-3104
	E-mail:	Nigel.Manvell@brighton-hove.gov.uk	
Key Decision:	No		
Wards Affected:	All		

FOR GENERAL RELEASE

1 SUMMARY AND POLICY CONTEXT

- 1.1 This is the fourth Annual Value for Money and Efficiency Report for the council with previous reports having been submitted to Policy & Resources Committee and Finance Management Sub Committee. It provides an opportunity to update members on the council's value for money programme and performance against government efficiency targets as reported in Annual Efficiency Statements submitted to central government.
- 1.2 The report also provides a framework for action planning to improve the council's use of its resources and to report on its delivery against those plans.

2 RECOMMENDATIONS:

- 2.1 That the achievement against the 2007/08 efficiency target reported in the "backward look" Annual Efficiency Statement submission be noted.
- 2.2 That the actions taken in 2007/08 to improve the council's use of its resources be noted.
- 2.3 That the actions planned for 2008/09 to improve the council's use of its resources be agreed.

3 RELEVANT BACKGROUND INFORMATION

- 3.1 Under the Gershon Review of Efficiency, Local government was required to achieve, relative to a 2004/05 baseline, total annual efficiency gains of at least £6.45bn by 2007/08. This equates to a 10% efficiency saving (or 2½% per year) over a 4-year period. It was a further requirement that at least half of this be cashable. The balance could be achieved through "non-cashable" efficiency gains, for example, productivity gains where staff time is saved (e.g. a saving in the time taken to process planning applications) but where there is not necessarily a cash saving to the organisation.

- 3.2 Starting in 2008/09, the government has increased the annual efficiency savings target for local authorities to 3%, all of which must be cashable. This will apply over the 3-year period covered by the Comprehensive Spending Review (CSR 07) from 2008/09 to 2010/11.
- 3.3 Up until 2007/08, the department for Communities and Local Government (CLG) was responsible for collating the results of achievement against planned savings for local government and reporting them to HM Treasury and the Office of Government Commerce. This did not include the schools efficiency programme, which is assessed by the Department for Children, Schools and Families.
- 3.4 The reporting framework to CLG included “forward look” efficiency statements showing the savings planned for the coming year; a “mid-year update”; and “backward look” statements on what had actually been achieved for the year. Technical guidance was provided to assist local authorities in reporting their efficiency savings. These reporting arrangements will no longer apply throughout the CSR 07 period with efficiency targets having been more explicitly set out in the Local Government financial settlement.
- 3.5 Mechanisms for providing advice and capacity to assist local government in meeting its targets have been put in place. In particular we have been working with the South East Centre of Excellence (SECE), hosted by Kent County Council to identify efficiencies that can be gained from a range of collaborative working across local authorities, primarily focused on regional procurement initiatives. Guidance is also regularly issued by CLG. The Department of Health also provides support through its Care Services Efficiency Delivery (CSED) arm who work collaboratively with local councils, the NHS and service providers to develop and support initiatives to gain sustainable efficiency improvements in adult social care.
- 3.6 The 2007/08 “forward look” Efficiency Statement was submitted to CLG by the deadline of 12 April 2007. The detailed cashable savings included in the statement directly flow from the budget setting process for the General Fund, including specific grants, and the Housing Revenue Account.
- 3.7 The focus on efficiencies, cross-cutting savings and management savings as part of setting the 2007/08 budget and the transparency of recording this information meant that identifying cashable savings for the forward look statement was a relatively straightforward process and the need for additional analysis was kept to a minimum. Because of the council’s overall financial position and the need to deliver substantial cashable efficiency savings to balance the budget, the council has been able to report cashable savings substantially above the targets set for each of the 4 years.
- 3.8 Identification of non-cashable savings is a more challenging process because these do not affect our overall budget position and are therefore not captured in as systematic a way. An example of a non-cashable saving would be an improvement in performance or output (productivity) of a service for the same level of input resources (e.g. staff). In compiling these statements we have focussed in particular on using data sources such as the regular Performance Reports to Policy & Resources (now Cabinet) to help in the identification process.

- 3.9 The 2007/08 “backward look” Efficiency Statement is attached at Appendix 3 or information. Additional guidance has been provided this year by CLG on calculating efficiencies and the deadline for submission of this return was 8 July 2008.
- 3.10 In summary, total efficiency savings of £26.965m have been achieved between 2004/05 and 2007/08. This exceeds the target of £22.388m by £4.577m or 20%. Within this total, cashable efficiencies of £20.345m have been achieved against a target of £11.193m, which is £9.152m or 82% over target. Summary information is provided at Appendix 2.
- 3.11 For 2008/09 to 2010/11, the 3% cashable savings target is £6.300m per annum. However, in total, the council’s budget requirement to meet efficiency savings, fund priority services, and meet service pressures (e.g. concessionary fares) in 2008/09 was £9.1m. To address this budget requirement the budget process identified £9.1m savings of which £5.540m were cashable efficiency savings. This is below the 3% target inherent in the authority’s financial settlement, but this reflects the fact that efficiencies of this magnitude will become increasingly difficult for local authorities to meet year-on-year and that alternative savings, which may have some impact on services, will need to be found.
- 3.12 The efficiency savings identified in the 2008/09 budget are summarised at Appendix 4 together with current performance as at Month 2 (May). This shows that there is a forecast shortfall of £0.205m on General Fund efficiency savings at present, which directorates are currently developing recovery plans to mitigate. The Housing Revenue Account is expecting to achieve efficiency targets in full.

4 APPROACH TO EFFICIENCY, VALUE FOR MONEY AND USE OF RESOURCES

4.1 Links to Medium Term Financial Strategy and Budget Setting

The focus on cashable efficiency savings as part of the budget setting process could result in an interpretation of efficiency that is purely financial. It is therefore important to reiterate the connectivity between efficiency, customer service and performance and the council’s overall duty to promote economy, efficiency and effectiveness in the use of its resources in order to provide value for money for the council taxpayer. These links are clearly recognised in the Council’s Corporate Plan and Medium Term Financial Strategy. These detail the performance targets and service outcome targets that the council has set itself. The achievement of efficiencies is as important to achieving these targets as service improvement. This overall approach has enabled the council to deliver very substantial efficiency savings while improving and investing in front-line service provision.

4.2 Duty to secure Value for Money

As referred to above, the Council has a responsibility to put in place proper arrangements to secure the economy, efficiency and effectiveness in the use of its resources, and to ensure proper stewardship and governance, and regularly to review them. An opinion on the council’s arrangements for

securing value for money is given in the auditor's Annual Governance Report presented to Audit Committee each year.

4.3 Comprehensive Performance Assessment (CPA) and the "Use of Resources" Assessment

The outcome of the 2006/07 CPA was reported to Policy & Resources Committee on 6 March 2008 via the external auditor's "Annual Audit & Inspection Letter". The council was assessed as a 3 star authority that was judged to be "improving well".

However, for the "use of resources" element the council scored 2 (out of 4). The external auditor said that: "*The overall conclusion is that the Council has maintained strong arrangements in place for financial management and internal control. It also continues to develop its arrangements to manage and improve value for money and to improve debt management, although for these two areas the improvements have not yet produced outcomes that result in an increased auditor judgement.*" There has been considerable focus on these two areas during 2007/08 with the value for money programme progressing well and with scrutiny of debt management having been increased through new quarterly performance reports to Finance Management Sub-Committee. There have also been many changes to debt management services, which are moving toward best practice benchmarks for service delivery.

The 2007/08 Use of Resources assessment is currently in progress with the main review work by external auditors expected to take place from mid-July to September. An assessment outcome is not expected until November 2008. Key actions for improving use of resources are set out in Appendix 1.

4.4 Annual Governance Statement

The council has to report on its framework for securing economy, efficiency and effectiveness in the Annual Governance Statement, which forms part of the Statement of Accounts. This sets out key actions and priorities to improve this framework during 2008/09. These are considered to be evidence of a strong approach to continuous improvement, rather than evidence of fundamental weaknesses in this framework and this is supported by the conclusions of the Annual Governance Statement. There are more detailed actions included in the Finance & Resources and Strategy & Governance Departmental Development Plans (DDPs) and relevant business plans but only those with greatest impact are highlighted in the statement.

4.5 Value for Money Approach

The Council has long recognised the importance of systematically reviewing its services in order to support not only the delivery of efficiency savings but also to ensure that good performance and best practice are achieved wherever possible. Many Best Value reviews and other key service reviews have been undertaken and have delivered improved outcomes and/or efficiency over the years. However, under the current Administration, a more robust framework has been developed and a council-wide programme of value for money reviews has been implemented using a commonly applied methodology.

5 VALUE FOR MONEY IMPROVEMENT PROGRAMME

- 5.1 The current value for money programme of reviews started in July 2007 with Adult Social Care and is now focusing on the final directorate to be reviewed, Environment. The progress of the programme and final reports are detailed in the table below.

Directorate/Service	Review Completion
Adult Social Care	July 07
Corporate Services	Sept 07
Cultural Services	Nov 07
CYPT	Apr 08
Housing Strategy/ Housing Management	July 08
Environment	Sept 08

- 5.2 The reviews take into account a range of complex factors that help directorates prioritise their improvement projects. Factors include:
- Council priorities
 - Service performance
 - Spending and unit cost comparisons
 - Cost versus benefit evaluations
 - Potential to improve or achieve efficiencies and at what level of investment i.e. is there a “quick win” or is wholesale service transformation needed
 - Stakeholder views/workshops

The output of each review will be either an implementation plan, improvement project plan or business case depending on whether to go for quick wins or invest in change of a larger scale.

- 5.3 The value for money improvement programme will include projects that will take between 6 months and 2 years to undertake and implement depending on their complexity and the level of service transformation recommended. These projects will clearly be an important element of helping the council to deliver efficiency savings while improving services. However, the timing and, in particular, implementation of these reviews may not dovetail perfectly with the council’s annual budget setting requirements and there will still need to be a parallel process of identifying other efficiency savings as part of the annual budget process. As the outcome of reviews are known and the financial savings and investments are quantified, these will be built into the council’s Medium Term Financial Strategy and annual budget strategy.
- 5.4 Examples of improvement areas identified from VFM reviews to date include:
- CYPT - Looked After Children (LAC) Commissioning Strategy developed with set targets and actions for reducing LAC numbers.

- CYPT - shifting funding for SEN from specialist provision into mainstream schools as part of the wider early intervention and inclusion strategy.
- Adult Social Care - the in-house home care service will form part of an integrated re-ablement team, focusing on short term interventions which maximise independence. The service will also expand its presence in terminal care and emergency respite care.
- Adult Social Care - review of Older People Day Centre provision.
- Adult Social Care - provision of a single access point for adult social care services.
- Cultural Services - Income generation projects across Cultural Services.
- Cultural Services - Feasibility study to establish the strength of the case for setting up an Economic Development Company for Brighton and Hove.
- Cultural Services - Feasibility study to establish the strength of the case for redeveloping the broader campus sites around Whitehawk, Woodingdean and Moulsecoomb libraries for mixed-use purposes.
- Corporate Services - Accommodation group set up to review use of office and other accommodation in the light of the Access Strategy, future technology and different ways of working (e.g. home/mobile working).
- Corporate Services - Business Process Re-engineering is being applied across Financial Services to reduce transaction costs and reduce low value processes.

5.5 Value for money projects can be aimed at improving quality, productivity and/or costs. Where a project is likely to require substantial organisational change or pump-priming investment of resources or money, directorates are asked to draw up a business case taking into account the resources, costs, risks and expected benefits of implementing the proposed improvement project. VFM projects are not separately identified in the budget setting process but will generally form a significant element of each directorate's savings proposals.

5.6 A separate fund, the "Transformation Fund", has been created to further support delivery of VFM projects. This fund, amounting to £150,000 recurrently with a further £100,000 added for 2008/09 from last year's outturn position, has been allocated to directorates following submission of business cases. Funds are generally used to create additional capacity or bring in necessary expertise to support VFM implementation.

6 CONSULTATION

6.1 No specific consultation has been undertaken in preparing this report.

7 FINANCIAL & OTHER IMPLICATIONS

Financial Implications:

- 7.1 Details of efficiency savings are included in the body of the report as are links to the Council's overall responsibilities to secure economy, efficiency and effectiveness in the use of its resources.
- 7.2 The outcome and outputs from value for money projects will need to be quantified in financial terms and built into the Council's budget setting process and Medium Term Financial Strategy.

Finance Officer consulted: Nigel Manvell Date: 27 June 2007

Legal Implications:

- 7.3 The approach adopted in the report is consistent with the Council's duty of best value under the Local Government Act 1999 and associated guidance.
- 7.4 The impact of efficiency savings on the discharge of statutory duties needs to be monitored as part of the implementation process to ensure that the Council can continue to discharge these duties adequately.
- 7.5 In relation to specific proposals for efficiency savings, it is anticipated that the Cabinet Members will wish to continue the approach on budget matters agreed by Policy and Resources Committee in January 2007, suitably adapted to the new constitutional arrangements, as follows:
- i) budget proposals which do not involve significant or sensitive service changes will not normally need to be considered at the relevant Cabinet Member meeting before they are taken into account in budget reports to the Cabinet;
 - ii) where one or more of the following applies, consideration should be given, with the relevant Cabinet Member, to bringing forward a consultative report to a meeting of that Cabinet Member before a matter is included in any budget reports to the Cabinet: (a) where the matter is associated with political or other controversy or sensitivity; (b) where, in relation to the matter, there are legal requirements to undertake consultation and full consideration of responses by the decision maker. If it is not practicable to have done the detailed assessment / consultation before reporting to Cabinet, the budget proposals to Cabinet should state that they are subject to the completion and due consideration at the appropriate level of such consultation / assessment.

- 7.6 There are no adverse Human Rights Implication arising from the report.

Lawyer consulted: John Heys Date: 8 July 2007

Equalities Implications:

- 7.7 There are no direct equalities implications arising from this report

Sustainability Implications:

- 7.8 There are no direct sustainability implications arising from this report.

Crime and Disorder Implications:

- 7.9 There are no direct crime and disorder implications arising this report.

Risk and Opportunity Management Implications:

- 7.10 Effective management of risk is part of the Council's framework for securing the economy, efficiency and effectiveness in the use of resources.

Corporate / Citywide Implications:

- 7.11 The Council's framework for securing the economy, efficiency and effectiveness in the use of the resources is essential to deliver corporate and citywide objectives.

8 EVALUATION OF ANY ALTERNATIVE OPTION(S)

- 8.1 It is a government requirement to report on performance against efficiency targets and hence the cabinet member is asked to note the report.
- 8.2 The actions for improving use of resources are expected to be deliverable within the time scales and resource capacity available to the authority. Actions are in response to:
- i) Recommendations made by the external auditor in the Annual Audit & Inspection Letter.
 - ii) Recommendations made, or any weaknesses highlighted, by the external auditor in the Annual Governance Report and Final Accounts Report (for Financial Reporting).
 - iii) Recommendations arising from internal audits conducted in accordance with the Internal Audit Plan.
 - iv) Internal reviews of performance and governance.

The actions identified concentrate on areas requiring further improvement or where the impact will be of most significance. Although these actions cannot guarantee improved CPA assessment scores, they are designed to move the authority in the right direction. Alternative actions could be proposed but must consider the following:

- the likelihood of external audit recommendations not being met;
- the available capacity to deliver against alternative targets, or;
- the potential impact on assessment scores for the authority.

9 REASONS FOR REPORT RECOMMENDATIONS

- 9.1 To update the council's cabinet member for finance in relation to performance against efficiency targets and the progress of value for money reviews.

9.2 The cabinet member for finance is also asked to agree actions to improve the use of resources to ensure appropriate governance and challenge in setting these targets.

SUPPORTING DOCUMENTATION

Appendices:

- (1) Key Actions and Priorities for Improving Use of Resources
- (2) Summary of efficiencies achieved against target 2004/05 to 2007/08
- (3) “Backward Look” Annual Efficiency Statement 2007/08
- (4) Progress against 2008/09 Efficiency Savings

Documents In Members’ Rooms

None

Background Documents

- (1) Efficiency Technical Notes for Local Government.
- (2) Audit Commission Statement of responsibilities of auditors and of audited bodies.
- (3) Budget working papers.

Key Actions and Priorities for Improving Use of Resources

Use of Resources Component	2007/08 Actions	2008/09 Planned Actions
a) Financial reporting	<ul style="list-style-type: none"> Improved training and liaison with External Audit to ensure early identification and compliance with revised Statement of Recommended Practice (SORP 2008). 	<ul style="list-style-type: none"> Additional capacity to be provided in Central Accountancy team to assist with, amongst other things, implementation of International Financial Reporting Standards.
b) Financial management	<ul style="list-style-type: none"> Post implementation review of the implementation of the new corporate Financial Information System completed. Financial Management Standards for managers developed and approved by TMT. Training and support provided for new Finance Sub Committee which considered areas such as value for money, treasury management and financial performance. 	<ul style="list-style-type: none"> Targeted corporate training offer to be developed to support improved financial management skills. New intranet sites to be developed to provide accessible financial management training and guidance to managers. Revised Asset Management Plan and Corporate Procurement Strategy to be approved and implemented. Revised Corporate Plan and Medium Term Financial Strategy. New Business Planning framework with stronger links to service and financial planning to be implemented in place of team planning.
c) Financial Standing	<ul style="list-style-type: none"> Targeted Budget Management reporting framework revised to include capital 	<ul style="list-style-type: none"> Further debt management improvements to be identified and

Use of Resources Component	2007/08 Actions	2008/09 Planned Actions
	<p>and revenue in Directorate and TMT reports.</p> <ul style="list-style-type: none"> • Annual review of levels of reserves and balances undertaken as part of the budget setting process. • Updates to Annual Investment Strategy and Treasury Management Policy Statement. • Continued implementation of Debt Management Group action plan including review of write-off of debt, new quarterly reports, and implementation of best practice service benchmarks. • Merger of Revenues & Benefits and Adult Social Care and Corporate Debtors completed. 	<p>implemented by an Income Project Officer (funded via the Transformation Fund). Areas will include:</p> <ul style="list-style-type: none"> - Corporate debt recovery training standard; - Improved data sharing and debtor tracing; - Case conferencing for multiple debts; - Review of best practice authorities.
d) Internal Control	<ul style="list-style-type: none"> • Continued implementation of the Financial Management Model in schools (FMSiS). Support and awareness training provided on the requirements and self-assessment by secondary and primary schools, external assessment and providing assurance for certification by the S151 officer. 50% of schools have now passed. • Implemented requirements of the revised CIPFA/SOLACE Corporate 	<ul style="list-style-type: none"> • Further training of members in risk management to be provided. • New Audit Committee to be set up. • Continued support to FMSiS programme. • Implement actions from the Annual Governance Statement • Update the Anti Fraud Strategy to meet the requirements of the Government's Fraud Review.

Use of Resources Component	2007/08 Actions	2008/09 Planned Actions
	<p>Governance Framework including updating Local Code of Corporate Governance and development of a new Annual Governance Statement which replaced the Statement of Internal Control (SIC).</p>	
<p>e) Value for Money</p>	<ul style="list-style-type: none"> • Development and implementation of a council-wide value for money improvement programme. • Expert advisers (PwC) engaged to assist the council in building internal capacity to support ongoing value for money reviews. 	<ul style="list-style-type: none"> • Complete phase I value for money reviews and monitor progress via VFM Steering Group. • Develop phase II approach.

Appendix 2

Summary of Savings Achieved 2004/05 to 2007/08

	2004/05 Actual Savings Achieved	2005/06 Actual Savings Achieved	2006/07 Actual Savings Achieved	2007/08 Actual Savings Achieved	Cumulative Total
Total Target	£6.227m	£8.469m	£6.003m	£6.266m	£26.965m
of which cashable	£3.894m	£5.478m	£5.398m	£5.575m	£20.345m

Summary of Cumulative Savings Achieved compared with Target 2004/05 to 2007/08

	Cumulative Target	Cumulative Savings Achieved	Target Exceeded by:	Target Exceeded by %:
Totals	£22.388m	£26.965m	£4.577m	20%
<i>of which cashable</i>	<i>£11.193m</i>	<i>£20.345m</i>	<i>£9.152m</i>	<i>82%</i>

Annual efficiency statement - backward look

Details

Local authority Brighton & Hove City Council

Contact name Nigel Manvell

Job title Assistant Director Financial Services

Email address nigel.manvell@brighton-hove.gov.uk

Submitted date 04/07/2008 05:39 PM

Statement

Overarching Key Actions Taken

Children's Agency Placements: cost-effective procurement of agency placements , reduce reliance on independent foster agency placements. Main efficiencies delivered through reprovision of an expensive children's disability residential service.

Housing Benefits: improve debt collection of housing benefit overpayments; continue to promote fraud prevention initiatives and effective fraud investigation.

Community Care for Older People's services: continue to reduce reliance on expensive residential and nursing home placements through expanding homecare provision and providing additional extra care housing facilities; minimise delayed transfers of care through the effective use of intermediate care, transitional beds, and the development of the night time home care service; continue to develop community based and rehabilitative services linked to the joint commissioning strategies in place with the PCT. The in-house home care service continues to be restructured to focus on specialist needs and re-ablement.

Homelessness: continue to reduce reliance on expensive bed and breakfast accommodation through effective procurement of alternative forms of temporary accommodation such as private sector leasing;

Procurement: routine collaboration with East and West Sussex Councils and access to consortium contracts ; active participation in the SouthEast Centre of Excellence (SECE) work-streams for Property, Social Care, Supplies, and Waste; accessing pre-tendered OGC Buying Solutions (OGCBS) contracts including telecomm's, mobile phones, computer software and hardware

Asset management: energy efficiency to reduce revenue costs for operational buildings as part of Carbon Management Programme; capital receipts programme linked to a strategic review of the commercial portfolios; continuing to reduce office accommodation costs per person reducing overall office space requirements including a combination of changes to working environments such as hot-desking and home working where appropriate.

ICT: utilise Electronic Document Record Management, e-Forms and e-invoicing to reduce transaction costs; use technology to support integrated working across social care and health; promote mobile working; further development of e-government and customer relationship management

Staffing: continued roll-out of the Agency Staff Neutral Vendor Service and Admin All Areas; improving attendance at work through sickness absence management.

Carbon Management Programme: the council has developed a carbon management programme in association with the Carbon Trust. The programme aims to significantly reduce the council's carbon footprint by 20% over 5 years and will produce both cashable and non-cashable energy efficiencies over the period.

Title	Ongoing gains sustained from 2006/07 (£)		Further gains achieved in 2007/08 (£)		...of which expected to be ongoing (£)		Cumulative gains as at end of 2007/08 (£)		Related links									
	Total gains	...of which cashable(£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)										
Adult social services 50	3,824,867	2,747,715	947,000	947,000	947,000	947,000	4,771,867	3,694,715	Documents People Projects									
	2007/08 Primary quality crosscheck Quality crosscheck																	
	<table border="0"> <tr> <td></td> <td>2006/07</td> <td>2007/08</td> <td>Quality crosscheck met?</td> </tr> <tr> <td>Intensive home care as a percentage of intensive home and residential care (PAF B11)</td> <td>27</td> <td>26.7</td> <td>No</td> </tr> </table>											2006/07	2007/08	Quality crosscheck met?	Intensive home care as a percentage of intensive home and residential care (PAF B11)	27	26.7	No
		2006/07	2007/08	Quality crosscheck met?														
	Intensive home care as a percentage of intensive home and residential care (PAF B11)	27	26.7	No														
Key actions undertaken to achieve efficiency gain: 1. Continued restructuring and implementation of the value for money review of the in-house home care service through vacancy management. 2. Ensuring that only Neutral Vendor and in-house agencies (Care Crew) were used to achieve lower agency costs and also placing tighter controls on agency usage. 3. A major restructure of the management of adult social care has been undertaken at Group Manager and Service Manager levels.																		
Quality crosscheck notes: B11 figure is draft as final figures are unavailable at time of submission. Although slightly below 2006/07 target, this is only marginal given the significant efficiency savings delivered.																		
Children's services	1,164,196	803,011	649,000	649,000	649,000	649,000	1,813,196	1,452,011	Documents People Projects									
	2007/08 Primary quality crosscheck Quality crosscheck																	
	<table border="0"> <tr> <td></td> <td>2006/07</td> <td>2007/08</td> <td>Quality crosscheck met?</td> </tr> <tr> <td>CSCI judgement: Serving children well?</td> <td>1</td> <td>1</td> <td>Yes</td> </tr> </table>											2006/07	2007/08	Quality crosscheck met?	CSCI judgement: Serving children well?	1	1	Yes
		2006/07	2007/08	Quality crosscheck met?														
	CSCI judgement: Serving children well?	1	1	Yes														
Key actions undertaken to achieve efficiency gain: 1. A high cost contract for children with disabilities at Palmeira House was terminated and services reprovided in-house at the Drove Road facility following completion of capital works. 2. Management & Admin savings were achieved through vacancy controls in identified areas together with minor reorganisation of roles.																		
Quality crosscheck notes:																		

Culture and sport	2,057,698	518,368	403,000	403,000	403,000	403,000	2,460,698	921,368	Documents People Projects						
	2007/08 Primary quality crosscheck Quality crosscheck <table border="1" style="float: right; margin-left: 20px;"> <thead> <tr> <th>2006/07</th> <th>2007/08</th> <th>Quality crosscheck met?</th> </tr> </thead> <tbody> <tr> <td>896,802</td> <td>896,802</td> <td>Yes</td> </tr> </tbody> </table>									2006/07	2007/08	Quality crosscheck met?	896,802	896,802	Yes
	2006/07	2007/08	Quality crosscheck met?												
	896,802	896,802	Yes												
Key actions undertaken to achieve efficiency gain: 1. Relocation of the Visitor Information Centre to the world famous Royal Pavilion together with new marketing strategies to increase footfall and sales income. 2. Management & Admin savings were achieved through vacancy controls in the identified areas together with minor reorganisation of roles.															
Quality crosscheck notes:															
51 Environmental services	4,560,805	2,006,009	717,945	344,000	717,945	344,000	5,278,750	2,350,009	Documents People Projects						
	2007/08 Primary quality crosscheck Quality crosscheck <table border="1" style="float: right; margin-left: 20px;"> <thead> <tr> <th>2006/07</th> <th>2007/08</th> <th>Quality crosscheck met?</th> </tr> </thead> <tbody> <tr> <td>92.47</td> <td>96.12</td> <td>Yes</td> </tr> </tbody> </table>									2006/07	2007/08	Quality crosscheck met?	92.47	96.12	Yes
	2006/07	2007/08	Quality crosscheck met?												
	92.47	96.12	Yes												
Percentage of households resident in the Authority's area served by kerbside collection of at least two recyclables (BV91b)															
Previous primary quality crosscheck (if different) Previous primary quality crosscheck <table border="1" style="float: right; margin-left: 20px;"> <thead> <tr> <th>2006/07</th> <th>2007/08</th> <th>Quality crosscheck met?</th> </tr> </thead> <tbody> <tr> <td>23.32</td> <td>24.91</td> <td>Yes</td> </tr> </tbody> </table>									2006/07	2007/08	Quality crosscheck met?	23.32	24.91	Yes	
2006/07	2007/08	Quality crosscheck met?													
23.32	24.91	Yes													
Percentage sum of household waste arisings that have been: (a) sent by the Authority for recycling (BV82a i); (b) sent by the Authority for composting or treatment by anaerobic digestion (BV82b i); and (c) used to recover heat, power and other energy sources (BV82c i)															
Key actions undertaken to achieve efficiency gain: 1. Top level management has been rationalised in City Parks and City Clean to ensure a common management approach. Other management & admin savings were achieved through vacancy management and minor restructuring of roles. 2. The extension of its wheelie bin service to residents, which has provided the Council with the opportunity to limit capacity per household for simply disposing of waste, that otherwise would have ultimately been sent to landfill.															
Quality crosscheck notes: The extension of wheelie bins to high rise flats and central areas of the city have improved recycling services and the percentage of waste sent for recycling.															

	830,765	830,765	867,000	867,000	867,000	867,000	1,697,765	1,697,765	Documents People Projects
Local transport (highways)	2007/08 Primary quality crosscheck								
	Quality crosscheck			2006/07	2007/08	Quality crosscheck met?			
	Non-approved indicator (explain fully in the text box) 0 1 Yes								
	Previous primary quality crosscheck (if different)								
	Previous primary quality crosscheck			2006/07	2007/08	Quality crosscheck met?			
	Number of days of temporary traffic controls (BV100) 0.12 1.95 No								
Key actions undertaken to achieve efficiency gain: 1. The Off-street parking contract has been retendered at a significantly reduced price. 2. Processes for Notice handling and treatment of abandoned vehicles have been streamlined and/or built into the new parking contract.									
Quality crosscheck notes: No appropriate quality cross-check is provided in the pre-set list. The efficiencies above relate primarily to enforcement and notice handling.									
52	253,944	253,944	0	0	0	0	253,944	253,944	Documents People Projects
Local transport (non-highways)	2007/08 Primary quality crosscheck								
	Quality crosscheck			2006/07	2007/08	Quality crosscheck met?			
	Number of local bus passenger journeys (BV102) 39.4 39.4 Yes								
	Previous primary quality crosscheck (if different)								
	Previous primary quality crosscheck			2006/07	2007/08	Quality crosscheck met?			
	No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08) 0 0 Yes								
Key actions undertaken to achieve efficiency gain:									
Quality crosscheck notes: Updated to include more appropriate indicator given previous year's efficiency savings.									
LA social housing (capex)	507,990	507,990	0	0	0	0	507,990	507,990	Documents People Projects

	2007/08 Primary quality crosscheck								
	Quality crosscheck						2006/07	2007/08	Quality crosscheck met?
	Non-approved indicator (enter 0 in 2006/07 and 1 in 2007/08 and explain in the text box)						0	1	Yes
	Key actions undertaken to achieve efficiency gain:								
	Quality crosscheck notes:								
	1,108,829	1,108,829	648,000	648,000	648,000	648,000	1,756,829	1,756,829	Documents People Projects
LA social housing (other)	2007/08 Primary quality crosscheck								
53	Quality crosscheck						2006/07	2007/08	Quality crosscheck met?
	Housing CPA score (A=1, B=2, C=3, D=4)						3	3	Yes
	Key actions undertaken to achieve efficiency gain: 1. Reduced number of B & B placements through improved management processes. 2. Reduced costs due to boiler replacements being more efficient. 3. Reduction in the average cost of Empty properties repairs and reduced number of empty properties due to streamlined processing of repairs. 4. Savings from retendered Repairs contract. 5. Management of empty properties has reduced numbers and increased turnaround times which has further increased rental income.								
	Quality crosscheck notes:								
	264,817	264,817	199,000	199,000	199,000	199,000	463,817	463,817	Documents People Projects
Non-school educational services	2007/08 Primary quality crosscheck								
	Quality crosscheck						2006/07	2007/08	Quality crosscheck met?
	CPA score for Children and Young People (Average score for all five aspects)						3	3	Yes
	Key actions undertaken to achieve efficiency gain: 1. Management & Admin savings were achieved through vacancy controls in identified areas together with minor reorganisation of roles. 2. Various supplies and services efficiencies across budgets.								
	Quality crosscheck notes:								

Supporting people	903,202	903,202	317,000	0	317,000	0	1,220,202	903,202	Documents	
									People	
									Projects	
	2007/08 Primary quality crosscheck									
	Quality crosscheck							2006/07	2007/08	Quality crosscheck met?
Non-approved indicator (enter 0 in 2006/07 and 1 in 2007/08 and explain in the text box)							0	1	Yes	
Key actions undertaken to achieve efficiency gain: 1. Scheduled Supporting People reviews and monitoring throughout contract renegotiation as appropriate to maintain services within smaller grant envelope.										
Quality crosscheck notes: Service levels are being maintained and contracts are regularly reviewed and improvement plans put in place as appropriate to ensure continuous improvement.										
54 Homelessness	848,753	848,753	180,000	180,000	180,000	180,000	1,028,753	1,028,753	Documents	
									People	
									Projects	
	2007/08 Primary quality crosscheck									
	Quality crosscheck							2006/07	2007/08	Quality crosscheck met?
Reduction in use of temporary accommodation, where exercising a duty under the homelessness legislation							100	100	Yes	
Key actions undertaken to achieve efficiency gain: 1. Additional longer term private sector leased accommodation secured, which attracts higher subsidy rates under current regulations. 2. Management & Admin savings were achieved through vacancy management and minor restructuring of roles in the Independent Living Team.										
Quality crosscheck notes: The authority is confident that units have reduced further but updated 2007/08 figures cannot be confirmed at present.										
Other cross-cutting efficiencies not covered above										
Corporate services	2,508,133	2,088,066	775,000	775,000	775,000	775,000	3,283,133	2,863,066	Documents	
									People	
									Projects	
2007/08 Primary quality crosscheck										
Quality crosscheck							2006/07	2007/08	Quality crosscheck met?	
No deterioration in CPA 'Use of Resources' score (0=No, 1=Yes)							1	1	Yes	

	<p>Key actions undertaken to achieve efficiency gain: 1. Internal Audit continued to plan-in more preparatory audits on systems and grant claims, etc. to reduce external audit costs. 2. The commercial waste and recycling contract was reviewed and retendered. 3. Management & Admin savings were achieved through rationalisation of the management of a small number of teams.</p> <p>Quality crosscheck notes: CPA Use of Resources score remains at 2 but Internal Control and Value for Money (5.1) elements have improved.</p>									
Procurement - goods and services	935,711	919,839	213,000	213,000	213,000	213,000	1,148,711	1,132,839	Documents People Projects	
	2007/08 Primary quality crosscheck									
	Quality crosscheck							2006/07	2007/08	Quality crosscheck met?
	Content and implementation of Corporate Procurement Strategy reviewed in the last year (0=No, 1=Yes)							0	1	Yes
	<p>Key actions undertaken to achieve efficiency gain: 1. Reduction in telecommunication costs was achieved through retendering of contract including data lines, mobile phones, etc.</p> <p>Quality crosscheck notes:</p>									
55 Procurement - construction	0	0	0	0	0	0	0	0	Documents People Projects	
	2007/08 Primary quality crosscheck									
	Quality crosscheck							2006/07	2007/08	Quality crosscheck met?
	No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08)							0	0	Yes
	<p>Key actions undertaken to achieve efficiency gain:</p> <p>Quality crosscheck notes:</p>									
Productive time	291,938	41,811	85,000	85,000	85,000	85,000	376,938	126,811	Documents People Projects	

	2007/08 Primary quality crosscheck								
	Quality crosscheck						2006/07	2007/08	Quality crosscheck met?
	Non-approved indicator (enter 0 in 2006/07 and 1 in 2007/08 and explain in the text box)						0	1	Yes
	Key actions undertaken to achieve efficiency gain: 1. The new Financial Information System has reduced the management and admin support required within the finance team.								
	Quality crosscheck notes: Efficiencies relate to implementation of a new corporate Financial Information System. There is no suitable quality check available.								
Transactions	689,168	678,266	170,000	170,000	170,000	170,000	859,168	848,266	Documents
									People
									Projects
	2007/08 Primary quality crosscheck								
	Quality crosscheck						2006/07	2007/08	Quality crosscheck met?
	Non-approved indicator (enter 0 in 2006/07 and 1 in 2007/08 and explain in the text box)						0	1	Yes
50	Key actions undertaken to achieve efficiency gain: 1. Council Tax and Housing Benefit functions were merged to improve sharing of information, utilise debt recovery skills across the service and improve collection, arrears and overpayment recovery.								
	Quality crosscheck notes: Main efficiencies relate to increased Housing Benefit subsidies due to improved recovery and reduced LA error rates.								
Miscellaneous efficiencies	243,516	243,516	95,000	95,000	95,000	95,000	338,516	338,516	Documents
									People
									Projects
	2007/08 Primary quality crosscheck								
	Quality crosscheck						2006/07	2007/08	Quality crosscheck met?
	Non-approved indicator (enter 0 in 2006/07 and 1 in 2007/08 and explain in the text box)						0	1	Yes
	Key actions undertaken to achieve efficiency gain: 1. Implementation of various actions contained in Carbon Management Programme. 2. Asset disposals were conducted according to VFM factors set out in the Asset Management Plan or in accordance with service rationalisation and accommodation strategies.								
	Quality crosscheck notes: The Asset Management Plan contains value for money assessments of properties. Those that do not perform well are identified for disposal within the council's accommodation strategy.								
Total	20,994,332	14,764,901	6,265,945	5,575,000	6,265,945	5,575,000	27,260,277	20,339,901	

Appendix 4

PROGRESS AGAINST THE ACHIEVEMENT OF THE 2008/09 EFFICIENCY SAVINGS

	Budget £'000	Forecast £'000	Variance £'000	Explanation
Adult Social Care & Housing				
Adult Social Care	(1,378)	(1,478)	(100)	Additional savings from Vernon Gardens offsetting current shortfall anticipated on homecare/daycare savings and brought-forward service pressure
Housing Strategy	(214)	(214)	0	
Sub-Total	(1,592)	(1,692)	(100)	
CYPT				
East Area, Early Years and NHS comm	(32)	(32)	0	
Central Area and Schools Support	(202)	(202)	0	
Learning & Schools	(71)	(71)	0	
West Area and Youth Support	(2)	(2)	0	
Specialist Services	(164)	(164)	0	
Quality & Performance	(30)	(30)	0	
Sub-Total	(501)	(501)	0	
Finance & Resources				
Finance	(175)	(175)	0	
ICT	(150)	(150)	0	
Customer Services	(460)	(460)	0	
Property & Design	(90)	(90)	0	
Sub-Total	(875)	(875)	0	
Strategy & Governance				
Director	(40)	(40)	0	
Improvement & Organ Devel	(38)	(38)	0	
Legal & Democratic Services	(56)	(56)	0	
Policy Unit	(25)	(25)	0	
Human Resources	(55)	(55)	0	
Sub-Total	(214)	(214)	0	
Environment				
City Services	(400)	(400)	0	
Leisure	(20)	(20)	0	
Sustainable Transport	(475)	(240)	235	The bringing back in house of the 5 car parks currently leased, may take place later than originally budgeted for.
Public Safety	(30)	(30)	0	
City Planning	(10)	(10)	0	
Sub-Total	(935)	(700)	235	
Cultural Services				
City Marketing	(25)	(25)	0	Assumed on target, but increased income target is dependant on the new DMS system which is not yet in place.
Libraries & Information services	(70)	(70)	0	Subject to restructuring work
Royal Pavilion & Museums	(47)	(32)	15	Energy savings unachievable due to increase in gas charges and steep rise in sub 100kw electricity contract
Arts & Creative Industries	(26)	(26)	0	
Economic Development & Regeneration	(73)	(73)	0	
Major Projects and Venues	(75)	(20)	55	Energy savings unachievable due to increase in gas charges
Sub-Total	(316)	(246)	70	

PROGRESS AGAINST THE ACHIEVEMENT OF THE 2008/09 EFFICIENCY SAVINGS

	Budget £'000	Forecast £'000	Variance £'000	Explanation
Section 75 : Learning Disabilities				
Council Lead Learning Disabilities	(641)	(641)	0	
Sub-Total	(641)	(641)	0	
Health Led Section 75 arrangements				
SPT				
Older People Mental Health	(176)	(176)	0	
Adult Mental Health	(206)	(206)	0	
Substance Misuse	(10)	(10)	0	
SDHT				
Intermediate Care	(53)	(53)	0	
ICES	(14)	(14)	0	
HIV/AIDS	(7)	(7)	0	
Sub-Total	(466)	(466)	0	
Total	(5,540)	(5,335)	205	
Housing Revenue Account				
Employees	(308)	(308)	0	
Supplies & Services	(93)	(93)	0	
Repairs -Responsive/Empty Properties contract.	(1,450)	(1,450)	0	0 Forecast as budget, however contract negotiations on open book still in progress may impact on this forecast.
Repairs - Gas Servicing Contract	(417)	(417)	0	
Ground Maintenance	(61)	(61)	0	
Reduction in Staff Accommodation charge	(40)	(40)	0	
Increase in Garage and Car Park Income	(40)	(40)	0	
Reduction in transitional protection from Supporting People charges	(40)	(40)	0	
Total	(2,449)	(2,449)	0	