



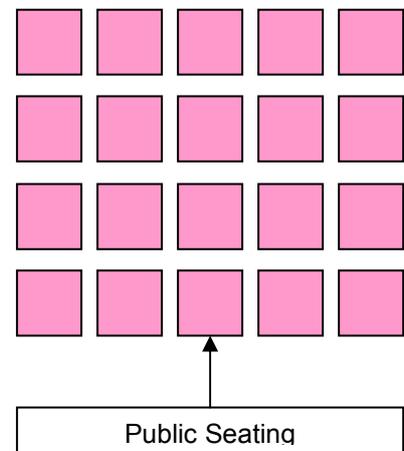
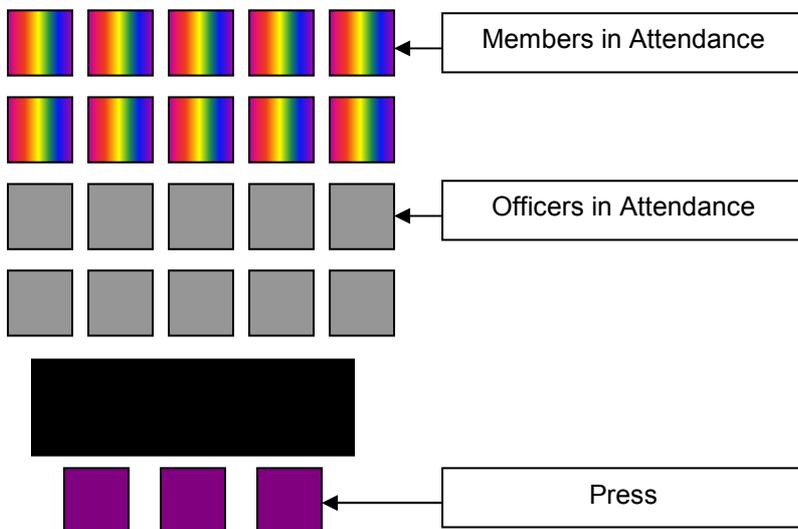
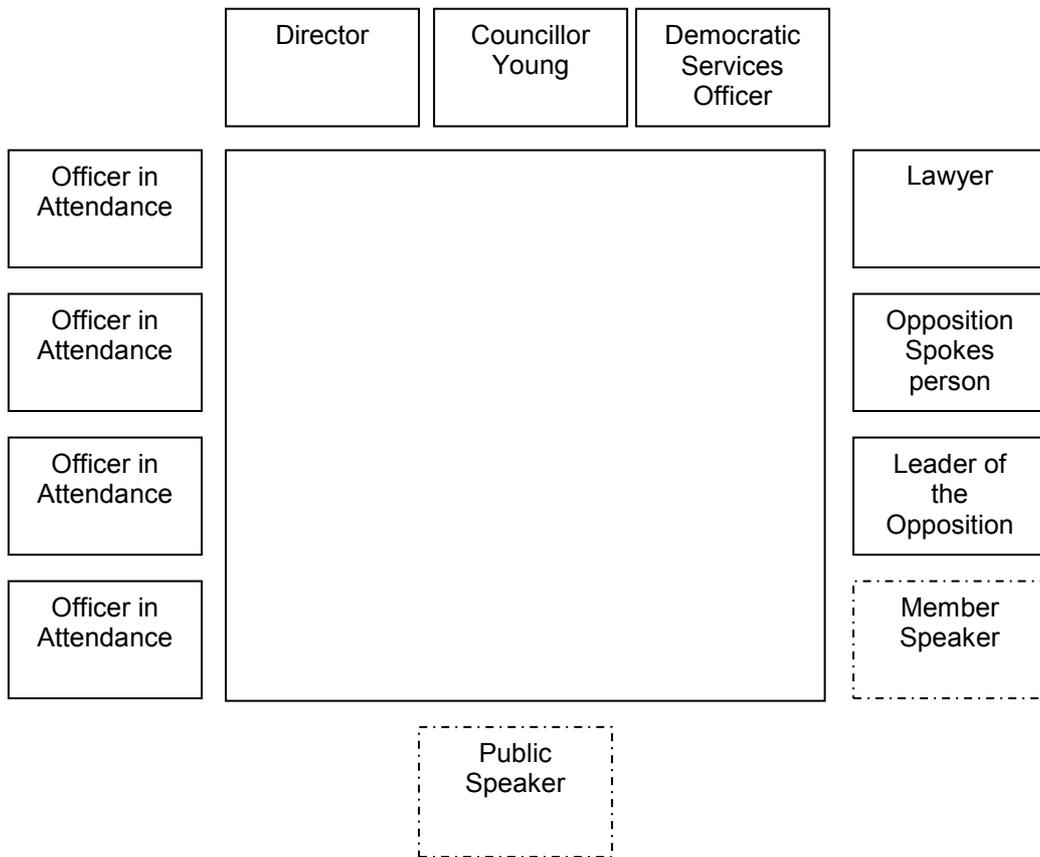
Brighton & Hove  
City Council

# Cabinet Member Meeting

Title:	<b>Finance Cabinet Member Meeting</b>
Date:	<b>23 February 2009</b>
Time:	<b>4.00pm</b>
Venue	<b>Council Chamber, Hove Town Hall</b>
Members:	<b>Councillor:</b> Young (Cabinet Member)
Contact:	<b>Nara Miranda</b> Democratic Services Officer 01273 291004 (voicemail only) nara.miranda@brighton-hove.gov.uk

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	<b>An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter and infra red hearing aids are available for use during the meeting. If you require any further information or assistance, please contact the receptionist on arrival.</b>
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# Democratic Services: Meeting Layout



## AGENDA

### 46. 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 either that it is confidential or 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 categories of exempt information is available for public inspection at Brighton and Hove Town Halls.*

### 47. MINUTES OF THE PREVIOUS MEETING

1 - 6

Minutes of the previous meetings held on 13 October 2008 and 6 November 2008 (copies attached).

### 48. CABINET MEMBER'S COMMUNICATIONS

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

### 50. PETITIONS

No petitions received by date of publication.

## FINANCE CABINET MEMBER MEETING

### 51. PUBLIC QUESTIONS

(The closing date for receipt of public questions is 12 noon on 16 February 2009)

No public questions received by date of publication.

### 52. DEPUTATIONS

(The closing date for receipt of deputations is 12 noon on 16 February 2009)

No deputations received by date of publication.

### 53. LETTERS FROM COUNCILLORS

No letters have been received.

### 54. WRITTEN QUESTIONS FROM COUNCILLORS

No written questions have been received.

### 55. NOTICES OF MOTIONS

No Notices of Motion have been referred.

### 56. INCOME COLLECTION & RECOVERY 2008/09 - QUARTER 3 7 - 20

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

*Contact Officer:* Nigel Manvell *Tel:* 29-3104

*Ward Affected:* All Wards

### 57. IMPLEMENTATION OF PHASE I VFM (VALUE FOR MONEY) RECOMMENDATIONS 21 - 28

Report of the Director of Strategy & Governance (copy attached).

*Contact Officer:* Janice Millman *Tel:* 01273 291080

*Ward Affected:* None

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](http://www.brighton-hove.gov.uk). Agendas are available to view five working days prior to the meeting date.

## FINANCE CABINET MEMBER MEETING

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](mailto:nara.miranda@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

Date of Publication - Friday, 13 February 2009



**BRIGHTON & HOVE CITY COUNCIL**

**FINANCE CABINET MEMBER MEETING**

**4.00pm, 13 OCTOBER 2008**

**COMMITTEE ROOM 1, HOVE TOWN HALL**

**MINUTES**

**Present:** Councillor Young (Cabinet Member)

**Also in attendance:** Councillor Hamilton (Opposition Spokesperson)

**Other Members present:** Councillors Harmer-Strange and Fallon-Khan

**PART ONE**

**29. PROCEDURAL BUSINESS**

**29a Declarations of Interests**

29.1 There were none.

**29b Exclusion of Press and Public**

29.2 In accordance with section 100A of the Local Government Act 1972 ('the Act'), the Cabinet Member for Finance considered whether the press and public should be excluded from the meeting during an item of business on the grounds that it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press or public were present during that item, there would be disclosure to them of confidential information (as defined in section 100A(3) of the Act) or exempt information (as defined in section 100I(1) of the Act).

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

**30. MINUTES OF THE PREVIOUS MEETING**

30.1 **RESOLVED** – That the Minutes of the meeting held on the 21 July 2008 be approved and signed by the Cabinet Member.

**31. CABINET MEMBER'S COMMUNICATIONS**

31.1 The Cabinet Member welcomed everyone to the meeting. She explained that items 32 to 40 would have no consideration, since no information had been received for today's meeting. She indicated that she wished the spaces provided on the agenda for consideration of such items were used in a more effective way.

**32. ITEMS RESERVED FOR DISCUSSION**

32.1 There were none.

**33. PUBLIC QUESTIONS**

33.1 There were none.

**34. WRITTEN QUESTIONS FROM COUNCILLORS**

34.1 There were none.

**35. PETITIONS**

35.1 There were none.

**36. DEPUTATIONS**

36.1 There were none.

**37. LETTERS FROM COUNCILLORS**

37. There were none.

**38. NOTICES OF MOTIONS REFERRED FROM COUNCIL**

38.1 There were none.

**39. MATTERS REFERRED FOR RECONSIDERATION**

39.1 There were none.

**40. REPORTS FROM OVERVIEW & SCRUTINY COMMITTEES**

40.1 There were none.

**41. INCOME COLLECTION & RECOVERY 2008/2009 - QUARTER 1**

41.1 The Cabinet Member considered a report of the Director of Finance & Resources on income collection and recovery performance for 2008/2009 as at Quarter 1 (June 2008). The report highlighted continuing improvement and best practice actions (for copy, see minute book).

- 41.2 The Cabinet Member was pleased with the information provided and noted the importance of the reports as they helped to keep track of the Council's financial position.
- 41.3 The Opposition Spokesperson referred to the table appended to the report and sought clarification in relation to the 14% of transactions regarding housing rent payments. He indicated that he believed that many people would not have the facility to make direct debit payments and was unsure as to whom exactly that percentage related to.
- 41.4 The Assistant Director, Financial Services, clarified that 14% was a percentage of the total number of people who were liable to pay rents.
- 41.5 Councillor Hamilton also requested to know the total number of people making repayments in respect of Housing Benefit overpayments. The Assistant Director offered to find out more about this enquiry and report back to Cllr Hamilton directly.
- 41.6 **RESOLVED** – That, having considered the information and the reasons set out in the report, the Cabinet Member accepted the following recommendation:
- (1) That the contents of the report be noted.

## 42. CORPORATE FEES & CHARGES POLICY

- 42.1 The Cabinet Member considered a report of the Director of Finance & Resources concerning fees and charges. The report updated the Cabinet Member for Finance about recent developments in relation to discretionary charging and the application of fees and charges. The report also recommended a Corporate Fees & Charges Policy (for copy, see minute book).
- 42.2 The Opposition Spokesperson accepted that fees should go up in accordance with inflation, but thought that there were areas where the raising of fees would prove difficult to sustain. He stated that he was against the general rearranging of all fees and indicated that he and his colleagues in the Labour group were concerned with the proposed budget process outcome referred to in paragraph 3.18 of the report.
- 42.3 The Cabinet Member clarified that the Council needed to go through this process because the Government had introduced legislation (the Local Government Act 2003) to encourage Local Authorities to effectively review the application of fees and charges. In addition, the proposed policy was also in response to the Audit Commission's recommendation of good practice.
- 42.4 The Assistant Director, Financial Services, further clarified that the policy encouraged services to be clear and explicit about the reasons for providing concessions and subsidies to services where fees and charges were applicable. He explained that the primary aim of the policy was to ensure a consistent and robust framework for reviewing fees and charges. The policy itself did not recommend specific fees or charging levels.
- 42.5 The Opposition Spokesperson referred to paragraph 3.2 of the report. He considered the sentence "charge for discretionary services if the recipient agrees" unclear and confusing. He felt that Members should be aware of what discretionary services and statutory services were, but there appear to not exist clear information about that.

- 42.6 The Head of Law clarified the sentence meant that people did not have to receive the service if they did not want to pay for it. The Head of Law recommended that officers reviewed the wording on the referred paragraph 3.2 in order to make the sentence clearer.
- 42.7 The Assistant Director explained that the council's website provided information about what were discretionary and what were mandatory services. He accepted there were areas where the council was unclear about this matter, and this was one of the reasons why the review was appropriate.
- 42.8 The Cabinet Member asked officers to provide Cllr Hamilton with the various information he had requested.
- 42.8 **RESOLVED** – That, having considered the information and the reasons set out in the report, the Cabinet Member accepted the following recommendations:
- (1) That the contents of the report be noted.
  - (2) That the proposed Corporate Fees & Charges Policy, as detailed in Appendix 1 to the report, should come into force for the 2009/10 budget setting cycle for proposals to change fees and charges (other than by inflation) and in full from the 2010/11 cycle as part of the Medium Term Financial Strategy, be agreed.
  - (3) That the report be referred to Cabinet for information.

The meeting concluded at 4.25pm.

Signed

Chairman

Dated this

day of

**BRIGHTON & HOVE CITY COUNCIL**  
**FINANCE CABINET MEMBER MEETING**  
**17.15PM 6 NOVEMBER 2008**  
**COUNCIL CHAMBER, HOVE TOWN HALL**  
**MINUTES**

**Present:** Councillor Young (Cabinet Member)

**Other Members present:** Councillors Harmer-Strange and G Theobald

**PART ONE**

**43. PROCEDURAL BUSINESS**

**43a Declaration of Interests**

43.1 There were none.

**43b Exclusion of Press and Public**

43.2 In accordance with section 100A of the Local Government Act 1972 ('the Act'), the Cabinet Member for Finance considered whether the press and public should be excluded from the meeting during an item of business on the grounds that it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press or public were present during that item, there would be disclosure to them of confidential information (as defined in section 100A(3) of the Act) or exempt information (as defined in section 100I(1) of the Act).

43.3 **RESOLVED** – That the press and public be not excluded from the meeting.

**44. CABINET MEMBER'S COMMUNICATIONS**

44.1 There were none.

**45. CONCESSIONARY FARES SCHEME**

45.1 The Cabinet Member considered a joint report of the Director of Finance & Resources and the Director of Environment concerning the Council's withdrawal from the county-wide Concessionary Fares Scheme (for copy see minute book).

45.2 The Cabinet Member stated that the recommendation in no way affected eligibility to the scheme, but had the effect of giving the Council greater control over negotiations with bus operators and would provide improved information for monitoring purposes. The

Cabinet Member added that the proposal may also protect the Council financially in the context of the Government's proposals for changing the forthcoming scheme.

45.3 The Interim Director of Finance & Resources informed the meeting that the word 'East' had been included in error in the reference to the 'East Sussex Concessionary Fares Scheme' and should be removed from the recommendation.

45.4 **RESOLVED** – That having considered the information and the reasons set out in the report, the Cabinet Member accepted the following recommendation:

- (1) That East Sussex County Council (and other members of the scheme) be formally notified of Brighton and Hove City Council's withdrawal from the East Sussex Concessionary Fares Scheme effective from 31 March 2009.

The meeting concluded at 5.20pm

Signed

Cabinet Member

Dated this

day of

# CABINET MEMBER MEETING FINANCE

## Agenda Item 56

Brighton & Hove City Council

<b>Subject:</b>	<b>Income Collection &amp; Recovery 2008/09 – Quarter 3</b>		
<b>Date of Meeting:</b>	<b>23 February 2009</b>		
<b>Report of:</b>	<b>Director of Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Nigel Manvell</b>	<b>Tel: 29-3104</b>
	<b>E-mail:</b>	nigel.manvell@brighton-hove.gov.uk	
<b>Key Decision:</b>	No		
<b>Wards Affected:</b>	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 2008/09 as at quarter 3 (December 2008) and highlight continuing improvement and best practice actions.

#### 2 RECOMMENDATIONS:

- 2.1 That the contents of the report be noted.

#### 3 INCOME COLLECTION PERFORMANCE 2008/09

- 3.1 The council collects over £300 million income from various sources which is critical to its overall budget strategy. Good collection and recovery performance is therefore very important to the financial health of the council, particularly given current risks posed by economic conditions, and therefore also in safeguarding services.
- 3.2 A number of income areas have existing Best Value Performance Indicators (BVPI's), which are reported below, while other areas use locally developed indicators and targets. BVPI indicators will continue to be collected while the new National Indicator Set (NIS) and/or other local performance indicators are put in place.
- 3.3 Services monitor performance in many different ways but this report focuses only on key indicators and headline information. A traffic light scorecard for key performance indicators is provided at Appendix A (current year) to enable performance to be monitored-by-exception.
- 3.4 BVPI 9 Council Tax Collection  
In-year collection is running at 74.22% as at quarter 3 which remains marginally ahead of target (73.80%) and compares with 73.73% this time last year. This is a good position for the council given the current economic climate and should enable the service to achieve the target collection rate of 96.1% although it is clearly difficult to predict the impact of the credit crunch over the coming months.
- 3.5 The collection of council tax arrears from previous years is also progressing well and the service has already collected more arrears in this financial year than was collected in the whole of the last financial year.

### 3.6 BVPI 10 NNDR Business Rate Collection

In-year collection is running at 78.36% as at quarter 3 which is close to the profiled (i.e. year-to-date) target of 78.30%. However, this performance must be treated with caution as the current economic conditions could mean that the profile of income received each month is different to previous years. The impact of the economic situation for the remainder of the year is even harder to predict in relation to businesses, particularly following the Christmas period, and the year-end target of 98.5% is likely to remain challenging.

### 3.7 BVPI 66a Housing Rent Collection

This indicator relates to the proportion of rent collected during the year as a percentage of the total rent charged through the year. It does not take into account any cash collected to clear arrears from previous years. At the end of quarter 3 the forecasted collection rate is 97.90% against a year end target of 98.5%. This is a slight drop from the result for the end of the second quarter when the forecast stood at 98.04%. This is not uncommon over the Christmas period and the Income Management Team anticipate that performance will recover in the final quarter.

Until year-end is reached the result can only ever be a forecast as it is impossible to predict how much rent will be foregone as a result of properties being empty whilst they are relet or how many right to buy sales will go through. This result does still compare favourably to 2007/08 when the forecasted result at the end of the third quarter was 97.11%.

During the first 9 months of this year current rent arrears have dropped from £905,675 to £859,742 a reduction of £45,933. With continued improvement and service developments, Housing Management have set a challenging target this year and are mindful of the impact of the credit crunch and the reduced ability of debtors to make significant payments against their arrears. As reported last time, additional financial inclusion work has been put in place to ensure the target is met this year. The success of these initiatives will be analysed shortly.

### 3.8 BVPI 79b Housing Benefit (HB) overpayments recovery

In-year collection figures for quarter 3 remain constant at 72% of debt being collected, which is above the target of 65%. Overall recovery of all debts, including historic arrears has improved dramatically since the last quarter and is now at 30.79% against a target of 30% compared with 13.35% previously. A total of 3.20% of bad debt has been written off compared with the target of 10% for the year.

### 3.9 Sundry Debt

Overall collection performance for sundry debt remains high at 98% of debts now being collected within 90 days compared with 82% in quarter 1. Current in-year collection has improved from 88% in quarter 2 to 93% in quarter 3. Although this is below target, it should be noted that the risks in relation to collection of Sundry Debt are much lower than for other types of debt. Debts are almost always collected with very few debts ever written off. The main issue is therefore the impact on cash flow rather than the risk of non-collection.

At present 26% of debt outstanding relates to other public sector agencies who can traditionally be slower to pay each other. This is because public agencies are unlikely to

take legal action against each other for slow payment and therefore most public sector agencies prioritise payments to individuals, suppliers and contractors where legal and reputational risks are higher. 39% of debt outstanding relates to the Business Sector and it is possible that the impact of current economic conditions means that this sector is becoming slower to pay debts. The council has also provided a recession relief package to assist those businesses in difficulty. The remaining 35% of debt outstanding relates to personal debt (e.g. charges for planning services).

### 3.10 Adult Social Care (ASC) Debt

Recovery of Adult Social Care debts within 90 days has decreased to 80%, compared to the quarter 2 collection rate of 95%; this is due to temporary staff shortages which have substantially reduced active debt recovery, but the service is working to address this issue. Fortunately, this has not impacted on overall in-year collection which has improved to 99% in quarter 3 from 98% in quarter 2 (target is 97.5%).

### 3.11 Parking Debt

Recovery of Penalty Charge Notices (PCNs) has shown significant improvement over first and second quarter results (58.7% & 63.6%). In the third quarter an average of 69.2% of PCNs have been paid. The percentage of bus lane PCNs paid is generally higher than for parking which has helped raise the overall total of PCNs paid. Overall the trend shows that more PCNs are being paid early within the discount period than at later stages when the charge is higher.

It should be noted that recovery rates can be significantly affected by National Parking Adjudication Service rulings to cancel PCNs issued as well as other factors outside of the council's control such as the reliability of information from the DVLA. This explains why PCN collection rates are significantly lower than other types of debt. This collection rate is, however, known to be comparable in performance terms with other authorities in the south.

### 3.12 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% within 12 weeks (i.e. the overall collection rate target assumes 5% voids).

In quarter 2 performance was 92.47% within 4 weeks, 97.63% within 8 weeks, and 98.71% within 12 weeks. Current performance for quarter 3 is 82.78% within 4 weeks. Figures for 8 and 12 week performance for quarter 3 are not yet available but as at November performance was 85.02% within 8 weeks and 93.31% within 12 weeks. These results clearly show that the position is becoming more challenging as the increasingly difficult economic conditions impact on the commercial portfolio, particularly the retail sector. However, at the end of the quarter there were a small number of large rents outstanding which have now been paid and the position is therefore still relatively strong given current conditions.

## **4 AGE OF DEBTS OUTSTANDING**

4.1 Appendix B shows the current age profile of debts outstanding, while Appendix C shows movements from the last quarter reported. As far as practicable, debts outstanding have been categorised under the same age bandings although the various systems often have different reporting structures. The underlying age profile can also be different for each

type of debt. For example, Council Tax and NNDR bills are raised at the beginning of each year and the debt outstanding therefore gradually reduces with each passing month whereas Sundry Debts can be raised at any time throughout the year. In practice, the income units will therefore compare their debt profiles with the same period in the previous year as an additional check on trends.

- 4.2 Currently there are no adverse or unexpected trends to report and there is a reduction in the overall debt outstanding on Sundry Debts despite an increase in bills raised of over £3m. Business rate (NNDR) and Council Tax debt outstanding appears to have fallen dramatically but this is merely because taxes are billed and become payable at the beginning of each year but in practice are collected in instalments. As time passes and more tax is collected, the debt outstanding reduces throughout the year. For these services it is therefore more important to compare the profile (i.e. performance) with comparable periods in previous years. Currently, performance is in line with expectations.
- 4.3 Encouragingly, Housing Benefit overpayment debt has increased by just 0.86% since the last report and the relative debt outstanding remains fairly constant. Improvements also continue to be made in collecting more recent debt and there has been a reduction of over £154,000 in debts less than 60 days old. Although there are 1755 invoices outstanding which are aged 6 months or older, it is worth noting that over 72% of these debtors are currently making repayments by instalment. Therefore, when looking at the outstanding debt, it is important to realise that not all debts are static and work is ongoing to ensure payments continue to be made, using all available methods of recovery.

## 5 DIRECT DEBIT TAKE-UP

- 5.1 The 2007 Audit Commission report "Improving Income Collection" focuses heavily on encouraging the take-up of regular payment methods, particularly Direct Debit, which is inexpensive and efficient to handle. Direct Debits also enable customers/citizens to plan their finances. Current take up of regular payments by service is shown in the table below.

**Note: Figures in brackets ( ) represent the previous quarter**

Income	Direct Debit Collections:	
	As a percentage of all transactions	As a percentage of income collected
	%	%
Housing rent	16 (15)	29 (26)
HB Overpayments	40 (34)	*
Sundry Debtors & Adult Social Care	51 (51)	*
Council Tax	66 (65)	66 (66)
NNDR (Business Rates)	65 (64)	50 (49)
Cluttons (Rents)	21 (20)	*

\* Indicates that systems cannot currently report information in this format

- 5.2 The all-important service is Council Tax collection (over £100 million income) where the value of payments by Direct Debit continues to improve and has increased by a healthy 8% this year having increased 5% in the first quarter. Housing Benefits continue to steadily increase the number of people repaying by Direct Debit since introducing this method in December 2007, while other services are generally maintaining levels of Direct Debit take-up.

5.3 Regular payments obviously do not apply to PCN fines. The main payment methods for this service in 2007/08 were credit/debit cards (41.3%) and cheques (45.3%).

## **6 IMPROVEMENTS ACTIONS FOR 2008/09**

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 practicable 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, customer service initiatives or implementation of best practice is provided below:-

### **6.2 Housing Rent**

- From the beginning of February a financial inclusion checklist will be completed with all new tenants and they will be offered access to money advice, basic bank accounts and affordable sources of credit.
- An eviction flyer has been designed to be circulated in an area following an eviction. The aim is to encourage tenants to seek assistance if they are having difficulty paying their rent or need help to claim Housing Benefit.

### **6.3 Council Tax and Business Rates (NNDR)**

- Along with other areas, the service is currently working to support the "recession relief" package recently announced by the council to help businesses through the economic slow-down. This includes measures to help hundreds of businesses manage their cash flows as the credit crunch tightens by offering alternative payment arrangements where businesses are running into difficulty.
- Inspectors will be personally visiting small businesses in the main retail areas in the coming weeks to advise relevant businesses to apply for small business rate relief. Communication with other businesses is also being devised. These are positive steps to help small businesses, which are generally slow to take advantage of this relief. In the case of personal visits, the aim is to ask businesses to sign the claim form on the spot and process this directly.

### **6.4 Housing Benefit**

- The service will be looking at the option of paperless Direct Debits (DDs) this year to speed up processing further. The BACS banking service would not previously consider this option until the authority had been operating DDs successfully for at least a year, which passed in December 2008.
- Proposals to improve the debtors element of the current system, supplied by Northgate, are currently being drafted to further improve recovery practice. These proposals may be optimistic, and generally any changes take time to achieve, as the software suppliers schedule their changes well in advance. However, Northgate do recognise that the system is currently limited, so it is hoped that some useful changes can be made which could help monitor and target debt more effectively in forthcoming years.

### **6.5 Corporate Debtors Unit (Sundry/ASC Debt)**

- The service has recently introduced direct input at the point of contact which is contributing towards reducing administration time and has also developed local performance indicator reports enabling officers to undertake targeted recovery. The benefits of both these initiatives should be seen over the coming months.

- The service is continuing to work towards introducing AUDDIS for both paperless and variable direct debits together with rationalised recovery routes through integration with the corporate banking team.

## 6.6 Parking Operations

- The Parking Information Centre has started a pilot project of extended opening hours for a trial period of 3 months with late opening until 7:00pm on Thursdays as well as the current Saturday opening from 9:00am to 1:00pm.
- Parking has been included in the 'National Fraud Initiative' for the first time with data matching exercises for blue badges and resident permits. Results should be available from the National Audit Office at the end of January for processing.

## 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: 23/01/09*

### 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: Abraham Ghebre-Ghiorghis*

*Date: 03/02/09*

### 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 council's lead 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 2008/09
2. Appendix B – Aged Debt Profile – Quarter 3
3. Appendix C – Aged Debt Profile (Movement from Last Quarter)

**Documents in Members' Rooms**

1. None

**Background Documents**

1. None



## Income Collection Performance 2008/09

Measure	Year-to-Date	Target	Forecast Outturn for Year	Distance from Target	Current Status	Movement (See Key below)
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Debt	Performance Measure	Year-to-Date	Target	Forecast Outturn for Year	Distance from Target	Current Status	Movement (See Key below)
Sundry Debtors	In-Year Collection Rate	93.0%	97.5%	93.0%	4.5%	RED	↑
Adult Services Debtors	In-Year Collection Rate	99.0%	97.5%	99.0%	-	GREEN	↑
BVPI 66 - Housing Rents	In-Year Collection Rate	97.9%	98.5%	97.9%	0.6%	AMBER	↓
BVPI 79 - Housing Benefit Overpayment	In-Year Collection Rate	72.0%	65.0%	72.0%	-	GREEN	⇒
Parking - PCN's Paid	Overall Collection Rate	64.0%	61.0%	64.0%	-	GREEN	↑
BVPI9 - Council Tax Collection	In-Year Collection Rate	74.2%	96.1%	96.1%	-	GREEN	⇒
BVPI10 - NNDR (Business Rates) Collection	In-Year Collection Rate	78.4%	98.5%	97.5%	1.0%	AMBER	↑
Rent from Managed Portfolio (commercial)	Collected within 4 weeks	82.8%	85.0%	82.8%	2.2%	RED	↓

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Meets or exceeds target	GREEN	No change from last report	⇒
Less than 1% short of target	AMBER	Position has improved since last reported	↑
More than 1% below target	RED	Position has worsened since last reported	↓



## Aged Debt Profile (Quarter 3)

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)	0	1,488	14	31	25	57	147	1,214
Housing Rent (Current Tenants)	41,324	1,499	101	73	59	195	207	864
Sundry Debtors	17,581	5,122	1,457	570	533	372	802	1,388
Adult Social Care	3,383	5,892	601	1,834	398	354	696	2,009
Council Tax	111,820	40,406	7,793		3,143	1,881	16,953	10,636
NNDR	91,720	22,562	5,197			2,777	3,424	11,164
Housing Benefit Overpayments	4,567	3,710	178	244	235	484	652	1,917
Parking Operations (PCNs)	4,257	4,124	241	219	247	849	1,031	1,537
Commercial Rents (Cluttons)	8,022	1,469	1,246	9	6	208		

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 £5.197m of NNDR debt is less than 90 days old but are currently unable to analyse this further between 60 and 30 days old.

Debt	Aged Debt Outstanding as a percentage of Debt Outstanding					
	<= 30 days %	<=60 days %	<= 90 days %	<= 6 months %	<= 1 year %	> 1 Year %
Housing Rent (Former Tenant Arrears)	0.9%	2.1%	1.7%	3.8%	9.9%	81.6%
Housing Rent (Current Tenants)	6.7%	4.9%	3.9%	13.0%	13.8%	57.6%
Sundry Debtors	28.4%	11.1%	10.4%	7.3%	15.7%	27.1%
Adult Social Care	10.2%	31.1%	6.8%	6.0%	11.8%	34.1%
Council Tax	19.3%		7.8%	4.7%	42.0%	26.3%
NNDR	23.0%			12.3%	15.2%	49.5%
Housing Benefit Overpayments	4.8%	6.6%	6.3%	13.0%	17.6%	51.7%
Parking Operations (PCNs)	5.8%	5.3%	6.0%	20.6%	25.0%	37.3%
Commercial Rents (Cluttons)	84.8%	0.6%	0.4%	14.2%		



## Aged Debt Profile (Movement from last quarter)

Debt	Change in Debt Raised £'000	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)	0	33	3	15	2	-11	-10	34
Housing Rent (Current Tenants)	0	64	-1	-12	5	38	3	31
Sundry Debtors	3,089	-211	-383	-12	372	-79	-109	0
Adult Social Care	1,160	1,578	-223	1,570	234	-31	16	12
Council Tax	215	-21,406	-3,145		-1,457	-3,408	-12,901	-495
NNDR	377	-16,704	-1,866			-6,655	-18,000	9,817
Housing Benefit Overpayments	37	6	-128	-28	121	16	14	11
Parking Operations (PCNs)	1,331	467	-778	0	-174	608	810	1
Commercial Rents (Cluttons)	513	635	720	5	0	-90		

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Debt	Aged Debt Outstanding as a percentage of Debt Outstanding (Movement)					
	<= 30 days %	<=60 days %	<= 90 days %	<= 6 months %	<= 1 year %	> 1 Year %
Housing Rent (Former Tenant Arrears)	0.2%	1.0%	0.1%	-0.8%	-0.9%	0.5%
Housing Rent (Current Tenants)	-0.4%	-1.1%	0.2%	2.1%	-0.4%	-0.4%
Sundry Debtors	-6.1%	0.2%	7.4%	-1.2%	-1.4%	1.1%
Adult Social Care	-8.9%	25.0%	3.0%	-2.9%	-4.0%	-12.2%
Council Tax	1.6%		0.3%	-3.9%	-6.3%	8.3%
NNDR	5.0%		0.0%	-11.7%	-39.4%	46.1%
Housing Benefit Overpayments	-3.5%	-0.8%	3.3%	0.4%	0.3%	0.2%
Parking Operations (PCNs)	-22.0%	-0.7%	-5.5%	14.0%	19.0%	-4.7%
Commercial Rents (Cluttons)	21.8%	0.1%	-0.3%	-21.6%		



# FINANCE CABINET MEMBER MEETING

## Agenda Item 57

Brighton & Hove City Council

<b>Subject:</b>	<b>Implementation of Phase I VfM (Value for Money) Recommendations</b>		
<b>Date of Meeting:</b>	<b>23 February 2009</b>		
<b>Report of:</b>	<b>Director of Strategy &amp; Governance</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Janice Millman</b>	<b>Tel: 29-1080</b>
	<b>E-mail:</b>	Janice.millman@brighton-hove.gov.uk	
<b>Key Decision:</b>	No		
<b>Wards Affected:</b>	None		

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1. The paper represents a summary of departmental plans to assure continued improvement on value for money going forward (2009/10).

#### 2. RECOMMENDATIONS:

- 2.1. That the report be noted.

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

- 3.1. The Value for Money (VfM), programme was the council's corporate programme of improvement to achieve better performance in costs of key council services and an improved position on the external auditor's Use of Resources judgement.

#### 4. PURPOSE OF THIS DOCUMENT

- 4.1. This report provides the VfM Steering Group with an overview of the progress made by each directorate in implementing the VfM opportunities identified and prioritised during Phase 1 of the corporate VfM programme.

#### 5. PERIOD COVERED

- 5.1. This report covers the period 2009/10.

#### 6. VALUE FOR MONEY UPDATE REPORT

##### **A. Children & Young People's Trust (CYPT)**

##### Special Educational Needs (SEN) Services

- 6.1. The service has developed a staged approach to restructuring special school budgets. Schools have been set targets for reduction that will see total budgets

reduced over time and the transfer of significant numbers of children and funds to mainstream schools. While savings will not be immediately apparent under regular Section 52 reporting, these targets will represent evidence of improvements and eventually show as reductions in SEN spend.

- 6.2. The aim of the approach is to assure an overall reduction in the cost of SEN placements in the City, while maintaining continuity in the employment status of schools staff during the implementation of single status.
- 6.3. Improvements against targets continue with out of city placements, which have reduced from 116 to 103 in the past 12 months, along with a 15% reduction in special school placements through intervention. The service is on track to reach the target of 70 out of city placements, in line with the national average, by 10. All savings realised are redirected in to early intervention to ensure continuous improvement.
- 6.4. The plans are still in draft and will be taken to TMT on 12 February 09.

#### Looked After Children (LAC)

- 6.5. Following the death of baby 'P' the service has, along with other authorities, been under significant pressure to assure that safeguarding standards and governance arrangements in the city are robust. At the same time, there has been some evidence of increases in both the number of children in need and the number of looked after children between October 08 and December 08.
- 6.6. The service has responded to these challenges in two ways:

1) Safeguarding work, this will centre on seven areas that include:

- Compliance with Climbie recommendations
- Adequate supervision
- Thresholds
- Case files
- ICT

The approach to safeguarding was validated by the CYPT Board on 19 January 09. A progress report will be made in March 09. All work is being done in partnership with the PCT.

2) The plans set out in last year's Business Plans, particularly around commissioning and procurement, are to be continued. Progress on the LAC Strategy will be taken to the CYPT Board in February 09. The new CYPT structure will place renewed emphasis on commissioning and will bring schools in to the heart of the Trust.

## **B. Adult Social Care & Housing**

### Adult Social Care

6.7. The service has a two-year plan to implement the homecare and day care reviews, the areas in which most savings are anticipated to be realised. The reviews include financial savings targets, which were agreed by Members with regular review through CMM.

6.8. A series of service-based VFM projects have additionally been put forward, including:

- Incomes and payments
- Two resource centres
- Telecare
- Integrated Community Equipment Service (ICES)

The division is currently considering bidding for monies from the transformation fund, to take these projects forward.

6.9. The second key area of work is the personalisation programme. While led by national policy drivers, the service is taking the opportunity to include efficiencies wherever possible. This is being planned in several ways:

- Via the self-directed support route, to reduce the cost of assessment and review.
- Through integrated reablement, where a pilot has already been carried out and where modelling is underway around reducing costs of care packages through intensive, pre-placement support.

These projects do not have specific VFM targets but will support the service's plans to achieve a balanced budget.

6.10. Learning Disability Services, a high cost service, has a VFM review of daycare underway. This involves a review of residential provision and will include staffing and accommodation. Also being undertaken is a joint LA/Health review of continuous healthcare, which is looking at thresholds for funding responsibilities for high cost care packages between the PCT and the council. Finally, a review of the new charging policy will consider opportunities for increasing income, where service costs are out of alignment with other authorities.

### Housing Services

6.11. Prioritised VFM opportunities are being taken forward via business planning and, for Housing Management, the Service Improvement Plan (SIP) for 09-12. The SIP was launched at January's Staff Conference.

6.12. The SIP programme, which was agreed in December 08, consists of 4 work streams:

- Housing Investment, including: the Local Delivery Vehicle (LDV); the long-term Procurement Strategy for the repairs, refurbishments and maintenance of council housing stock and; asset management.
- Access & Customer Care, comprising: customer access points and service standards; the Resident Involvement Strategy and; a review of the Housing Officer role.
- Diversity, Equality & Sustainability, encompassing: the Sustainability Strategy; financial inclusion; the improvement of income collections and; 'Turning the Tide' on worklessness.
- Business Improvement, incorporating: ICT; VfM; performance management and; inspection.

The newly formed SIP Programme Board is responsible for overseeing development and implementation.

6.13. Phase 1 VfM opportunities allocated a high priority are:

- A housing-wide review of customer access, aiming to improve links between Housing Management & Housing Strategy to reduce duplication and increase usage of access channels and improve customer satisfaction. The review is due for completion by April 09 but timescales are dependent upon the corporate Access Vision project.
- Reducing spend on agency staff. A cost/benefit analysis of agency staff usage is currently being undertaken. The service remains on schedule to set clear spend reduction targets, estimated to be in the region of 25%, by April 09. Reductions in spend on agency staff are already being achieved in Housing Management, falling from £622,427.29 in 07/08 to £321,675.29 in 08/09.
- Reducing housing management unit costs by £4. The Procurement Strategy is anticipated to generate a large proportion of these savings, the remainder of which will be achieved by a service reconfiguration. Staffing structures are to be redesigned and implemented throughout 09.
- Decreasing levels of sickness absence, to a target of an average of 9 days per employee. Both Housing Management and Housing Strategy are currently participating in a HR-led sickness absence pilot. The impact of the pilot, which commenced in June 08, is due for evaluation in March 09. Based upon existing figures, however, a decrease is predicted for both divisions. At the start of the pilot, Housing Strategy lost an average of 18.04 days per employee and Housing Management 19.32 and these are forecasted to fall to 17.78 and 12.76 for 09/10 respectively. Improvements are also due to improved recording and reporting mechanisms.
- Reducing homelessness cost per head. The recommendations from both the in-house VfM review and subsequent VfM review of the Homelessness Service, carried out by Acclaim Consulting, are being embedded in the 09/10 business plans. A cost/benefit analysis is scheduled for completion by April 09, as is separate report (for statutory homelessness and all other types of homelessness).

- Identifying the potential VfM benefits of changing policies and spend on adaptations, including 'spend to save' opportunities.

- 6.14. Income collection rates have improved, from 97.7% in 07/08 to 97.9% in December 08. This places the authority in the upper median quartile BVPI66a.
- 6.15. The ITT for Housing Management Repairs, Refurbishment & Maintenance Long-Term Strategic Partnership Procurement has been released. The contract is due to be awarded in July 09, for go-live in April 10.

## **C. Environment**

### CityServices

- 6.16. The CityClean VfM report validated the planned changes to the refuse and recycling service. Refuse round changes, which were launched in October 08, resulted in reductions in the numbers of crews from 19 to 16 and the recycling round changes that are to be launched in February 09 will reduce numbers of crews from 19 to 15. As has been experienced with refuse, the new rounds are anticipated to take 3-months to embed. In addition, the roll-out of communal bins in the city centre has commenced.
- 6.17. Combined, these changes are anticipated to generate savings of just under £1 million per annum. Savings will be reflected in both BVPI86 cost of waste per household and BVPI87 cost per tonne of municipal waste, which are both reported on annually (figures are due to be issued to Defra for validation in April 09).
- 6.18. A 'crew of the month' award scheme and publishing of performance data by crew, to drive up performance and create healthy competition, will be implemented once the recycling round changes have settled-in.
- 6.19. Additional VfM opportunities to be taken forward are the installation of a vehicle tracking system and the implementation of single status to reduce overall service costs, encompassing the possible adoption of shift pattern changes to reduce the number of freighters required and improve job complexity. The service does not intend to implement further large-scale changes during 09/10, to allow the recent round changes to fully settle-in for both staff and residents. In addition, the latter is dependent upon the corporate Single Status project.
- 6.20. The CityParks review judged the service to be providing good VfM. However, scope for improving both the performance management arrangements and the levels of innovation, by learning from national models of best practice, was identified. Models of best practice are now being identified and site-visits scheduled and performance management systems are being implemented.

### Development Control

- 6.21. The Development Control VfM review report is due to be presented to the VfM Steering Group and TMT on 11 February 09 and 25 February 09 respectively.

- 6.22. VfM work is being taken forward as part of a wider Service Improvement Project, which encompasses: customer focus; efficiency and VfM; ICT; Member and staff training; tackling stress and; accommodation improvements.

Additional VfM initiatives for 09/10

- 6.23. The directorate is leading on two VfM initiatives for 09/10 – a review of opportunities for sponsorship and advertising and an analysis of the management options for the city's two golf courses, for which a report is to be presented to TMT in April 09.

**D. Cultural Services**

- 6.24. Prioritised VfM opportunities are being taken forward via business planning. These are as follows:

- Libraries Review. This will examine the viability and explore the funding opportunities to develop broader campus sites around Whitehawk, Woodingdean and Moulsecoomb libraries and assess options for the Hollingbury Library site. A feasibility report is due for completion in March 09. A pilot to extend the opening hours at Hove Library to 6 days per week is also being launched in April 09, to improve both service access and take-up. The results of the pilot are to be evaluated in March 10.
- Shared directorate functions, including marketing, web services and cross-selling in tourism and venues. Quarterly marketing and sales meetings are to be established in February 09.
- Income maximisation. Various activities are being progressed, including: the introduction of recommended donations levels at the Royal Pavilion and museums in April 09; rearrangement of the Hove Town Hall front of house box office services by April 09 and; visitbrighton relaunched to deliver accommodation bookings.
- Foredown Tower Review. This will examine the future management solutions for Foredown Tower, specifically assessing the feasibility of establishing a Community Trust with Adur Sea Cadets. A feasibility report is to be produced by November 09.

**E. Corporate Services**

- 6.25. Discussion on how to take forward the VfM opportunities identified have been held at Strategy & Governance and Finance & Resources joint DMT meetings. The areas of work prioritised are:

- Roll-out of Service Compacts
- Drafting of a new Procurement strategy
- Implementation of the new HR IT system

## **7. INVESTMENT FUND TO HELP DELIVER VFM INITIATIVES (FORMALLY TRANSFORMATION FUND)**

7.1. In 08/09, £100,000 of the Transformation Fund was allocated as follows:

- £35,000 towards the wholesale review SEN funding, to refocus support on early intervention. The monies were used to acquire consultancy advice on remodelling budgets for special schools and to cost SEN placements in the city. Comparisons were made with 12 other authorities to develop an approach and funding formula for a range of needs and these will be used as placement package thresholds for all new children entering the service from April 2009. On this basis it is anticipated the new formula will be fully embedded over a 3 year period.
- £20,000 to support a corporate review of debt collection, to improve collection rates, reduce unit costs and optimise use of resources (including recovery enforcement, data sharing, case conferencing failure demand analysis). Due to HR issues, the review is to commence in 09/10 and the monies carried-over to 'free up' a manager to undertake project for 6-9 months. Aspects of this work have, in the interim, been mainstreamed via the Corporate Debt Management Group.
- £15,000 towards the Libraries Review, which has enabled the service to 'free up' internal resources on a short-term basis to focus on the project management and development of the feasibility study, which is due for completion in March 09.
- £30,000 to provide implementation support for the Development Control Improvement Programme. Monies have been used to directly fund a project manager to bring the programme forward.

7.2. A total of £150,000 is being carried-over from the 08/09 Transformation Fund. An additional £150,000 has been allocated to the 09/10 Investment Fund to Help Deliver VfM Initiatives.

## **8. FINANCIAL & OTHER IMPLICATIONS**

### Financial Implications

8.1 None have been identified at this stage.

*Finance Officer consulted:* Nigel Manvell

*Date:* 12/02/2009

### Legal Implications:

8.2 None have been identified at this stage.

*Lawyer consulted:* Abraham Ghebre-Ghiorghis

*Date:* 12/02/2009

### Equalities Implications:

8.3 None have been identified at this stage.

Sustainability Implications:

8.4 None have been identified at this stage.

Risk and Opportunity Management Implications:

8.5 None have been identified at this stage.

Crime and Disorder Implications:

8.6 None have been identified at this stage.

Corporate / Citywide Implications:

8.7 None have been identified at this stage.

**9. EVALUATION OF ANY ALTERNATIVE OPTION(S)**

The report is for noting.

**10. REASONS FOR REPORT RECOMMENDATIONS**

The report is for information only.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. None

**Documents in Members' Rooms**

1. None

**Background Documents**

1. None