



**Brighton & Hove  
City Council**

# Cabinet Meeting

Title:	<b>Cabinet</b>
Date:	<b>9 February 2012</b>
Time:	<b>4.00pm</b>
Venue	<b>Council Chamber, Hove Town Hall</b>
Members:	<b>Councillors:</b> Randall (Chair)  Bowden, Davey, Duncan, Jarrett, Kennedy, J Kitcat, Shanks, Wakefield and West
Contact:	<b>Mark Wall</b> Head of Democratic Services 01273 291006 mark.wall@brighton-hove.gov.uk

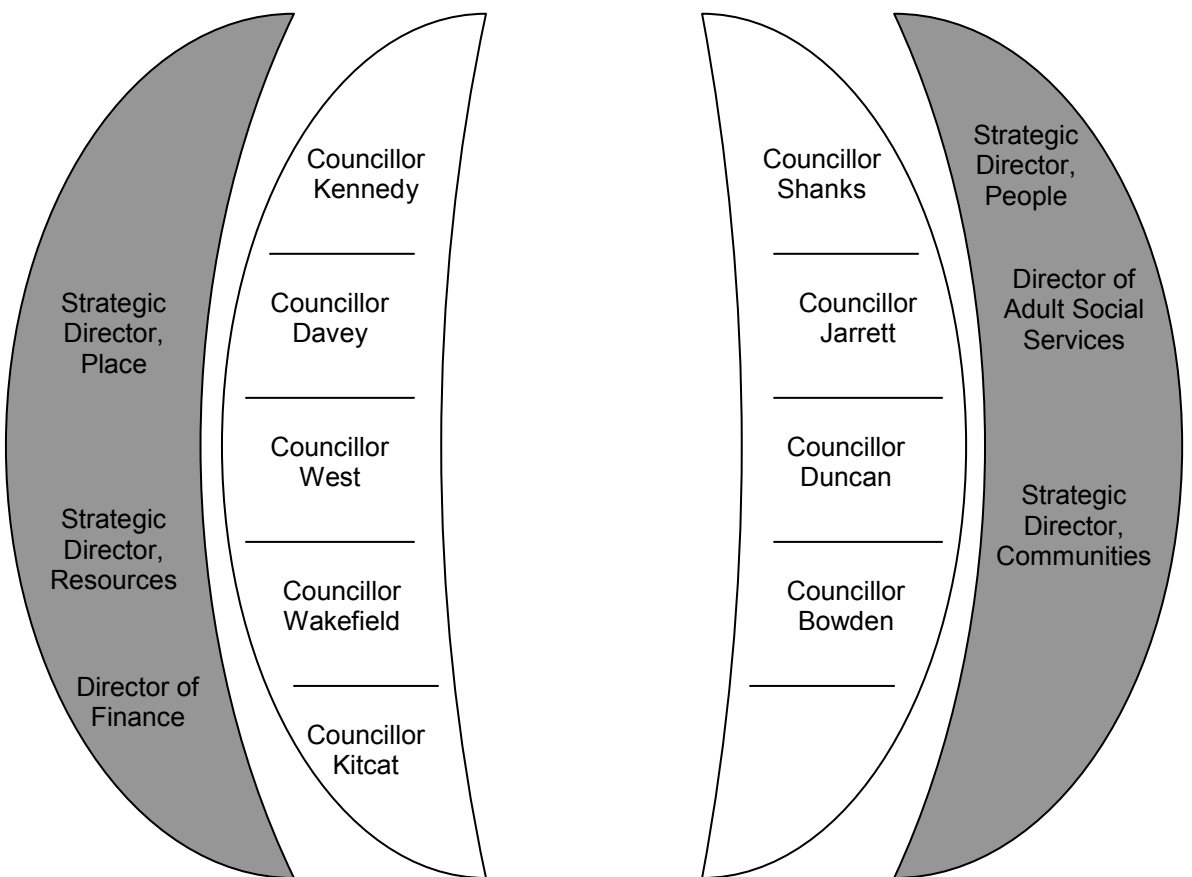
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# Democratic Services: Meeting Layout

Monitoring Officer      Councillor Randall      Chief Executive      Head of Democratic Services

OFFICERS

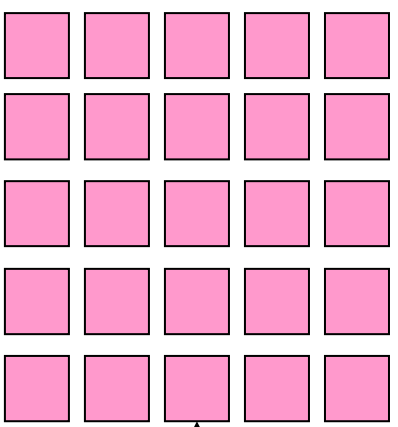
OFFICERS



OFFICERS

OFFICERS

Speaker      Leader of the Conservative Group      Leader of the Labour & Co-operative Group

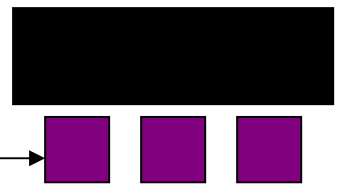


Public Seating

Members in Attendance



Press



## AGENDA

### 178. 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.*

### 179. MINUTES OF THE PREVIOUS MEETING

1 - 16

Minutes of the Meeting held on the 19<sup>th</sup> January 2012 (copy attached).

### 180. CHAIR'S COMMUNICATIONS

### 181. ITEMS RESERVED FOR DISCUSSION

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

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

### 182. TO RECEIVE PETITIONS

17 - 20

- (a) Petitions will be presented to the Chair at the meeting.
- (b) Music Service Cuts. Extract from the proceedings of the Council meeting held on the 26<sup>th</sup> January 2012 (copy attached).

## **CABINET**

### **183. PUBLIC QUESTIONS**

A list of publication questions received by the due date of 12 noon on the 2<sup>nd</sup> February 2012 will be circulated separately as part of an addendum to the agenda for the meeting.

### **184. DEPUTATIONS**

A list of any deputations received by the due date of 12 noon on the 2<sup>nd</sup> February 2012 will be circulated as part of an addendum to the agenda for the meeting.

### **185. LETTERS FROM COUNCILLORS**

The closing date for receipt of letters from Councillors was 10.00am on the 30<sup>th</sup> January 2012. No letters have been received.

### **186. WRITTEN QUESTIONS FROM COUNCILLORS**

The closing date for receipt of written questions from Councillors was 10.00am on the 30<sup>th</sup> January 2012. No written questions have been received.

### **187. NOTICES OF MOTION**

**21 - 22**

(a) Accept the Council Tax Freeze Grant. Extract from the proceedings of the Council meeting held on the 26<sup>th</sup> January 2012 (copy attached).

## **FINANCIAL MATTERS**

### **188. GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2012/13**

**23 - 302**

Report of the Director of Finance (copy attached).

*Contact Officer: James Hengeveld Tel: 29-1242*  
*Ward Affected: All Wards*

### **189. CAPITAL RESOURCES & CAPITAL INVESTMENT PROGRAMME 2012/13**

**303 - 322**

Report of the Director of Finance (copy attached).

*Contact Officer: James Hengeveld, Mark Ireland Tel: 29-1242, Tel: 29-1240*  
*Ward Affected: All Wards*

### **190. HOUSING REVENUE ACCOUNT BUDGET 2012/13**

**323 - 342**

Report of the Strategic Director: Place (copy attached).

*Contact Officer: Sue Chapman Tel: 29-3105*  
*Ward Affected: All Wards*

## CABINET

### **191. HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2012-15** **343 - 354**

Report of the Strategic Director: Place (copy attached).

*Contact Officer:* Sue Chapman *Tel:* 29-3105  
*Ward Affected:* All Wards

### **192. TARGETED BUDGET MANAGEMENT (TBM) 2011/12 MONTH 9** **355 - 400**

Report of the Director of Finance (copy attached).

*Contact Officer:* Jeff Coates, Nigel Manvell *Tel:* 29-2364, *Tel:* 29-3104  
*Ward Affected:* All Wards

## **STRATEGIC & POLICY MATTERS**

### **193. THE COUNCIL'S COMMISSIONING WORK PLAN** **401 - 416**

Report of the Chief Executive (copy attached).

*Contact Officer:* Marian Richards *Tel:* 29-3846  
*Ward Affected:* All Wards

### **194. JOINT COMMUNITY SAFETY DELIVERY UNIT** **417 - 424**

Report of the Strategic Director: Communities (copy attached).

*Contact Officer:* Linda Beanlands *Tel:* 29-1115  
*Ward Affected:* All Wards

### **195. BRIGHTON & HOVE CHILD POVERTY STRATEGY 2012-2015** **425 - 460**

Report of the Strategic Director: People (copy attached).

*Contact Officer:* Sarah Colombo *Tel:* 29-4218  
*Ward Affected:* All Wards

### **196. RISK MANAGEMENT STRATEGY 2012-15** **461 - 476**

*Contact Officer:* Jackie Algar *Tel:* 29-1273  
*Ward Affected:* All Wards

## **PROPERTY & REGENERATION MATTERS**

### **197. CIRCUS STREET** **477 - 488**

Report of the Strategic Director: Place (copy attached).

*Contact Officer:* Max Woodford *Tel:* 29-3451  
*Ward Affected:* All Wards

## CABINET

### 198. FALMER RELEASED LAND

489 - 504

Report of the Strategic Director: Resources (copy attached).

*Contact Officer: Richard Davies Tel: 296825*

*Ward Affected: Moulsecoomb &  
Bevendean*

## CONTRACTUAL MATTERS

### 199. MERCURY ABATEMENT AT WOODVALE CREMATORIUM

505 - 510

Report of the Strategic Director: Resources (copy attached).

*Contact Officer: Paul Holloway Tel: 29-2005*

*Ward Affected: All Wards*

## PART TWO

### 200. PART TWO MINUTES OF THE PREVIOUS MEETING - EXEMPT CATEGORY 3

511 - 512

Part Two Minutes of the Meeting held on 19<sup>th</sup> January 2012 (copy circulated to Members only).

## PROPERTY & REGENERATION MATTERS

### 201. CIRCUS STREET DEVELOPMENT SITE - EXEMPT CATEGORY 3

513 - 522

Report of the Strategic Director: Place (circulated to Members only).

*Contact Officer: Max Woodford Tel: 29-3451*

*Ward Affected: All Wards*

### 202. FALMER RELEASED LAND - EXEMPT CATEGORY 3

523 - 528

Report of the Strategic Director: Resources (circulated to Members only).

*Contact Officer: Richard Davies Tel: 296825*

*Ward Affected: Moulsecoomb &  
Bevendean*

### 203. PART TWO ITEMS

To consider whether or not any of the above items and the decisions thereon should remain exempt from disclosure to the press and public.

## CABINET

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.

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.

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Therefore by entering the meeting room and using the seats around the meeting tables you are deemed to be consenting to being filmed and to the possible use of those images and sound recordings for the purpose of web casting and/or Member training. If members of the public do not wish to have their image captured they should sit in the public gallery area.

If you have any queries regarding this, please contact the Head of Democratic Services or the designated Democratic Services Officer listed on the agenda.

For further details and general enquiries about this meeting contact Mark Wall, (01273 291006, email [mark.wall@brighton-hove.gov.uk](mailto:mark.wall@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk).

Date of Publication - Wednesday, 1 February 2012





**BRIGHTON & HOVE CITY COUNCIL****CABINET****4.00PM 19 JANUARY 2012****COUNCIL CHAMBER, HOVE TOWN HALL****MINUTES**

**Present:** Councillors Randall (Chair), Bowden, Davey, Duncan, Jarrett, J Kitcat, Shanks, Wakefield and West.

**Also in attendance:** Councillors G. Theobald and Mitchell.

**Other Members present:** Councillor Robins.

**PART ONE****150. PROCEDURAL BUSINESS****(a) Declarations of Interest**

150.1 There were none.

**(b) Exclusion of Press and Public**

150.2 In accordance with section 100A of the Local Government Act 1972 ('the Act'), it was 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).

150.3 **RESOLVED** – That the press and public be excluded from the meeting during the consideration on the items listed under Part 2 of the agenda.

**151. MINUTES OF THE PREVIOUS MEETING**

151.1 The Chair noted that there were some minor discrepancies in the minutes and that these had been changed in the version he had before him to sign as a correct record and in the on-line system. He therefore asked that the minutes be approved subject to the following amendments:

Paragraph 128.5 'Flamer' to read 'Falmer'  
Paragraph 146.4 Manor Close to read Major Close  
Paragraph 146.5 recommendation (2) Haversham House should be Heversham House.

151.2 **RESOLVED** - That the minutes of the meeting held on 8<sup>th</sup> December 2011, be approved as a correct record.

## **152. CHAIR'S COMMUNICATIONS**

152.1 The Chairman noted that the meeting would be webcast.

152.2 The Chair informed the Cabinet that item 162 Denominational Transport had been withdrawn from the agenda, in order to enable further consultation and would be brought back to a future meeting.

152.3 The Chair noted that the Coalition Government had made changes to the welfare provisions which would have a direct effect on people and which the council would be looking to help as they were pushed into dire straits. He also noted that the Government had announced a project and budget to support 'Troubled Families' which mirrored the work the council had started but which now was likely to see more children and families pushed into hardship and coming under this category.

152.4 The Chair informed Cabinet that he had met with the Finnish Ambassador, whose country had one of the most transparent, equitable and fair societies in the world and noted that if they could grow business by increasing equality then there was no reason why it could not be achieved in the city. He hoped that the consultation on the new Equality & Inclusion strategy would enable changes to be made to reduce the gap between those who have and those who have not.

152.5 The Chair stated that he and Councillor MacCafferty had a successful meeting with representatives of the Trans Community and pledged support to their concerns and agreed to meet again later in the year.

152.6 The Chair reported that he had met with Jeremy Hunt MP and Dame Liz Forgan in the week to try to seek support for the Council to bid for the Ultra-fast Broadband funding that was being made available but had been informed the city did not meet the criteria.

152.7 Finally, the Chair stated that he was very excited by the lottery funding secured for The Level redevelopment project.

152.8 Councillor Mitchell stated that the information on Troubled Families was very interesting and noted that Louise Casey had been involved in discussions with the council and asked whether a report would be forthcoming to the Cabinet.

152.9 The Chair stated that he hoped that a report would be brought to a future meeting and he would welcome both Leaders of the Opposition Groups to attend the next meeting on the issue with officers.

**153. ITEMS RESERVED FOR DISCUSSION**

153.1 **RESOLVED** – That all the items be reserved for discussion.

**154. TO RECEIVE PETITIONS**

154.1 The Chair noted that there were two petitions to be presented in regard to the proposed expansion of various schools and that these would be taken into account as part of the consideration on Items 164 and 165 and invited Mr. Sheppard to come forward and present his petition.

154.2 Mr. Sheppard thanked the Chair and stated that the petition was in favour of the proposed expansion of St. Peter's School and was supported by Teachers, Governors and local parents. It had been signed by 187 people and he was pleased to present it on behalf of Charlotte Clarke who was the lead petitioner but had been unable to attend the meeting.

154.3 The Chair thanked Mr. Sheppard for attending the meeting and presenting the petition and invited Councillor Robins to come forward and present his petition.

154.4 Councillor Robins thanked the Chair and stated that the petition had been signed by 147 people calling for two all-through Primary Schools at Portslade Infant and St. Nicholas Junior School. He stated that he was pleased to present the petition on behalf of the hard working people in Portslade and asked that continued consultations with parents and schools is maintained should the expansions be approved.

154.5 The Chair thanked Councillor Robins for attending the meeting and presenting the petition.

154.6 **RESOLVED** – That the petitions be noted.

**155. PUBLIC QUESTIONS**

155.1 The Chair noted that there were no public questions.

**156. DEPUTATIONS**

156.1 The Chair noted that no deputations had been submitted.

**157. LETTERS FROM COUNCILLORS**

157.1 The Chair noted that there were no letters from councillors.

**158. WRITTEN QUESTIONS FROM COUNCILLORS**

158.1 The Chair noted that no written questions had been submitted by councillors.

**159. NOTICES OF MOTION**

- 159.1 The Chair noted that there were two notices of motion referred for consideration from the Council meeting held on the 15<sup>th</sup> December, regarding City in Bloom Brighton & Hove and Intelligent Commissioning and the Community & Voluntary Sector.
- 159.2 Councillor West referred to the City in Bloom motion and noted that the Administration's previous budget proposals had been sent out for consultation and following feedback on those proposals, there had been a change to the proposed reductions for City in Bloom announced yesterday. These provided funding for the next year with the intention of enabling a transitional phase so that provision could continue but without such financial support from the council.
- 159.3 Councillor G. Theobald stated that City in Bloom had been extremely successful over the years and the loss of a £30k budget was not something that he thought was significant or necessary for an overall council budget of several millions.
- 159.4 The noted the comments and proposed that both motions should be noted.
- 159.5 **RESOLVED:** That the two notices of motion referred from Council be noted.

**160. COUNCIL TAX BASE 2012/13**

- 160.1 Councillor J. Kitcat introduced the report which detailed the tax base for 2012/13 and noted that the decrease in the base rate had not been as bad as expected and that the collection rate continued to improve. He wished to congratulate the officers involved and noted that the number of homes which were not eligible to pay council tax had increased as a result of more informed advice and the current economic climate.
- 160.2 The Chair also added his thanks to the officers involved and noted that whilst there had been reductions in resource levels they were still doing an excellent job.
- 160.3 Councillor Mitchell noted the report and queried whether there had been any further movement in relation to the subsidy for second homes.
- 160.4 Councillor J. Kitcat stated that there were proposals from the Government to reorganise aspects and it was likely that second homes would be able to be discounted in the future.
- 160.5 Councillor G. Theobald suggested that if the 3.5% council tax increase was imposed it would be more difficult to achieve the current 98.6% collection rate and questioned whether it would be maintained at this level. He also queried whether any action was being taken to reduce the level of empty homes and whether the recent change to provide funding for City in Bloom, would be maintained for future years.
- 160.6 The Chair stated that officers were looking closely at the issue of empty homes both in the public and private sector and how these could be made available for use more

effectively. He hoped that it would be possible to find ways to enable necessary improvements to be made so that they then became available for occupation.

160.7 Councillor West queried what the potential impact would be for the council's budget if a council tax freeze was agreed rather than the proposed 3.5% rise.

160.8 Councillor J. Kitcat stated that for 2012/13 an additional £1.2m of savings would need to be identified, with a further £4.2m in 2013/14, resulting in a total savings requirement of £5.4m which would have a significant impact on council services. He noted that the majority of people responding to the consultation and completing the on-line budget simulator expressed a desire for services and provision. He also noted that a number of other authorities had now expressed an intention to increase council tax levels rather than implement a freeze.

160.9 **RESOLVED:**

- (1) That the report be approved for the calculation of the council's tax base for the year 2012/13;
- (2) That a 0.1% increase to the Collection Rate to 98.6% for 2012/13 generating a net saving of £125,000 that year be agreed;
- (3) That, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amounts calculated by Brighton & Hove City Council as its council tax base for the year 2012/13 shall be as follows:-
  - (i) For Brighton and Hove whole – 94,601.45 (as detailed in appendix 1)
  - (ii) For the Royal Crescent Enclosure Committee – 30.57 (as detailed in appendix 2)
  - (iii) For the Hanover Crescent Enclosure Committee – 40.06 (as detailed in appendix 3)
  - (iv) For the Marine Square Enclosure Committee – 76.23 (as detailed in appendix 4)
  - (v) For the Parish of Rottingdean – 1,548.24 (as detailed in appendix 5)
- (4) That, for the purposes of Section 35(1) of the Local Government Finance Act 1992, the expenses of meeting the special levies issued to the council by the Enclosure Committees shall be its special expenses.

## **161. THE FUTURE FOR DISCRETIONARY GRANTS 2012-13 & BEYOND**

161.1 Councillor Duncan introduced the report and stated that he believed it was an excellent report which detailed a very good grants programme that supported organisations and groups and had been put forward by the Members Advisory Group. He hoped that it would be supported by the Cabinet and believed that it would generate benefit across the city.

161.2 Councillor Mitchell welcomed the report and stated that she believed it set the direction for the next few years and also welcomed the reinstatement of the small grants budget.

- 161.3 Councillor G. Theobald welcomed the report and stated that the process for determining the grants allocations was a good one and queried whether the level of funding would be kept at £1.6m.
- 161.4 Councillor Duncan stated that it was intended to maintain the level of funding but noted that it would be determined by the Budget Council meeting on the 23<sup>rd</sup> February.
- 161.5 **RESOLVED:**
- (1) That Cabinet recognise the role of the grants programme in underpinning the council's working relationship with, and sustainable success of, Brighton and Hove's third sector organisations.
- (2) That Cabinet agree the proposed vision, criteria and process for Annual Grants 2012-13 and a full cycle of the Three-Year Grants (Strategic & Annual) 2013-16.

## **162. DENOMINATIONAL TRANSPORT**

- 162.1 The item had been withdrawn.

## **163. FEES AND CHARGES**

- 163.1 Councillor J. Kitcat introduced the report which set out the proposed fees and charges for 2012/13 for Bereavement Service and the Register Office within Life Events and for Trading Standards, Environmental Health and Building Control. He noted that there would be a further review in 2013/14 in regard to the Bereavement Service and Register Office and that whilst he would prefer not to have to see an increase in charges, it was necessary to maintain and improve services.
- 163.2 Councillor Mitchell expressed her concern over the need to increase bereavement and burial charges in the current economic climate and queried the decision not to enable a subsidy for pensioners and those on income benefit for pest control services.
- 163.3 Councillor J. Kitcat stated that there was a need to balance the council's overall budget and that any proposals would be considered as part of the consultation process.
- 163.4 Councillor Duncan noted that the concessions in respect of the pest control service had been removed by the previous administration and that in comparison to private companies it was still cheaper and provided a quality service.
- 163.5 Councillor G. Theobald suggested that the comparator authorities listed in the report were not similar to that of Brighton & Hove and queried why others such as Southampton, Portsmouth and Bristol had not been used. He also noted that cremations at the Woodvale Cemetery on Saturdays were more expensive than those at The Downs.
- 163.6 Councillor J. Kitcat stated that the comparators used were those listed as part of the council's family of authorities for auditing purposes. With regard to the Saturday cremations whilst they were more expensive, the number was still increasing.

**163.7 RESOLVED:**

- (1) That the fees and charges for Life Events as detailed in Appendix 1 and Appendix 3 to the report be approved and recommended to Budget Council; and
- (2) That the fees and charges for Trading Standards, Environmental Health and Building Control as shown in Appendices 6 to 15 to the report be approved and recommended to Budget Council.

**164. OPTIONS FOR ADDITIONAL RECEPTION CLASSES FOR SEPTEMBER:  
PROPOSED TEMPORARY EXPANSION OF GOLDSTONE, WESTDENE, QUEENS  
PARK AND CONNAUGHT.**

- 164.1 The Cabinet noted the special circumstances for non-compliance with Council Procedure Rule 7, Access to Information Rule 5 and section 100B (4) of the Local Government Act as amended (items not considered unless the agenda is open to inspection at least five days in advance of the meeting), were that the consultation ended on the 13<sup>th</sup> January 2012 and sufficient time was required to properly consider and address the response within the report.
- 164.2 Councillor Shanks stated that in view of recent comments attributing remarks to her being made about the decision on the matter being pre-determined, which she refuted, she felt that it would be better to withdraw from the meeting during consideration of the matter.
- 164.3 Councillor Randall introduced the report and stated that it was intended to extend for one year only the intake number at four schools in the Hove and Hove/Brighton area, due to the increase in places required resulting from an increase in projected pupil numbers for September 2012.
- 164.4 Councillor G. Theobald stated that he believed two of the governing bodies were opposed to the increase in numbers and had expressed concerns over their infrastructure and ability to accommodate the additional pupils. He also noted that at the last Cabinet meeting he had been informed that the Strategic Director People could direct the schools to take the additional places, but noted that the report provided for the Schools Adjudicator to be requested to approve the proposed variation.
- 164.5 The Chair stated that the council had listed to the Governing Bodies and parents of all four schools and needed to take into account the needs of the city as a whole and address the situation that had arisen. He also stated that the concerns raised had been considered and it was felt that the proposed changes were the appropriate ones to meet the council's responsibility to the pupils.
- 164.6 Councillor Mitchell stated that it was regrettable that the two schools had to be directed to accept the increase in places. She also queried whether the sibling link would be a factor and did it mean a change in policy for all families across the city.

She also noted that paragraph 4.4 referred to a meeting with parents and asked for confirmation of where that meeting was held. She queried whether the Schools Adjudicator was likely to change their view on the proposals in light on the objections that has been raised.

164.7 The Schools Future Projector Director stated that the meeting with parents had been held at Kings House and the postal code being used was BN15, which effectively meant that the catchment area was for local children.

164.8 The Monitoring Officer confirmed that there was a requirement to refer the matter to the Schools Adjudicator and technically they had the power to take the final decision, however he did not expect them to get involved.

164.9 **RESOLVED:**

(1) That the responses to the consultation undertaken since the Cabinet meeting on 10<sup>th</sup> November be noted;

(2) That the proposal to temporarily increase the intake of Goldstone Primary, Westdene Primary Queens Park Primary and West Hove infant (Connaught Road site) by one form of entry for September 2012 only be agreed; and

(3) That the Strategic Director People be authorised to submit a request to the Office of the Schools Adjudicator for an in year variation in respect of Goldstone Primary, Westdene Primary, Queens Park Primary and West Hove Infant School Connaught Road site.

Note: Councillor Shanks withdrew from the meeting during consideration of the item and the decisions thereon.

## **165. PROPOSED OPTIONS FOR THE PROVISION OF 3 JUNIOR FORMS IN PORTSLADE**

165.1 The Cabinet noted the special circumstances for non-compliance with Council Procedure Rule 7, Access to Information Rule 5 and section 100B (4) of the Local Government Act as amended (items not considered unless the agenda is open to inspection at least five days in advance of the meeting), were that the consultation ended on the 13<sup>th</sup> January 2012 and sufficient time was required to properly consider and address the response within the report.

165.2 Councillor Shanks introduced the report which outlined the preferred option for providing three additional junior forms of entry that were needed to account for the projected pupil numbers for the city. She stated that the recent consultation exercise had shown support for the proposals and all considerations had been taken into account. She hoped that Cabinet would accept the recommendations and that the proposed changes would be implemented as soon as possible. She also noted that a further report would be brought forward in relation to increasing the provision of places for Hove Junior School by utilising the previous Hove Police Station site.



- 165.3 Councillor Mitchell stated that she wanted to pay tribute to the work of the ward councillors and residents of Portslade and welcomed the report, which she felt was the right solution. She also queried whether the junior places to be provided at the former Hove Police Station would be a separate school or additional places to another.
- 165.4 Councillor G. Theobald stated that he welcomed the proposal for the use of Hove Police Station and hoped that it would come forward in due course.
- 165.5 Councillor Shanks confirmed that the intention was to provide additional places to Hove Junior and noted that discussions were on-going and a report would be brought forward to a future meeting.

165.6 **RESOLVED:**

- (1) That the preferred option of making St Peters Community Infant School, Portslade Infant School and St Nicolas Church of England Junior school into all through primary schools from September 2013 be approved;
- (2) That the necessary formal consultation processes arising from the proposal be undertaken; and
- (3) That it be noted that following further investigations the preferred option for the provision of junior places in Hove is at Hove Police Station.

**166. SUSTAINABLE PROCUREMENT POLICY FOR BRIGHTON & HOVE CITY COUNCIL**

- 166.1 Councillor J. Kitcat introduced the report which set out a new Sustainable Procurement Policy with a supporting toolkit and a Sustainable Procurement Policy for Timber and Wood. He noted that there was also a revised Code of Practice for Equalities and Diversity Monitoring. He stated that it was an important matter and wished to congratulate the officers on the work to produce the various documents.
- 166.2 Councillor Mitchell welcomed the report and stated that she felt it would have helped if there could be a greater degree of certainty in the financial implications and with regard to paragraph 3.12 of the report, queried whether UPVC replacement windows were covered.
- 166.3 Councillor G. Theobald stated that he welcomed the approach but expressed some caution as to whether it would be possible to ensure that certain requirements would not lead to a situation that favoured larger national companies to the detriment of smaller local ones.
- 166.4 Councillor J. Kitcat stated that it was difficult to quantify the financial implications and he was unsure about the replacement windows policy but would ask officers to inform Councillor Mitchell.
- 166.5 **RESOLVED:**

- (1) That Sustainable Procurement Policy set out in Appendix 1, along with the associated outcomes set out in Appendix 2 and the supporting Sustainable Procurement Toolkit set out in Appendix 3 to the report be approved;
- (2) That the Sustainable Procurement Policy for Timber and Wood Derived Products set out in Appendix 4 to the report be approved; and;
- (3) That the revised Procurement Code of Practice: Equalities and Diversity Monitoring in Procurement set out in Appendix 5 to the report be approved.

**167. EAST SUSSEX, SOUTH DOWNS AND BRIGHTON & HOVE WASTE PLAN - BACKGROUND PAPERS**

- 167.1 The Chair introduced the report and noted that it sought approval of the twelve technical studies that provided the background and supporting evidence for the draft East Sussex, South Downs and Brighton & Hove Waste and Minerals Plan.
- 167.2 **RESOLVED:** That the following documents as supporting evidence for the draft East Sussex, South Downs and Brighton & Hove Waste and Minerals Plan be approved:
- Landfill, Landraise and Surcharging in East Sussex and Brighton & Hove
  - Sustainable Locations for Waste
  - Review of Future Waste Management Capacity Requirements
  - Assessing the potential for Heat Capture from Energy from Waste Facilities
  - Defining Strategic Waste Facilities
  - Hazardous Waste Review
  - Low Level Radioactive Waste - Review of the future Management Needs
  - Residual Waste from London Study
  - Sustainable Transport Feasibility Study (draft)
  - Road Transport Implications of Strategic Locations for Waste Facilities
  - Waste Minimisation Research (draft)
  - Strategic Flood Risk Assessment.

**168. EAST SUSSEX, SOUTH DOWNS AND BRIGHTON & HOVE WASTE AND MINERALS LOCAL PLAN**

- 168.1 The Chair introduced the report and noted the progress of the East Sussex, South Downs and Brighton & Hove Waste and Minerals Plan (WMP), which would eventually replace much of the council's adopted Waste Local Plan and Minerals Local Plan. He noted that the WMP would provide planning policy for the management of all wastes and the production of all minerals in East Sussex and Brighton & Hove, including that part of the South Downs National Park within East Sussex and Brighton & Hove. He also noted that Council would be asked to approve the plan and the production of a Proposed Submission Waste and Minerals Plan prior to statutory public consultation and subsequent submission to the Secretary of State.
- 168.2 Councillor Mitchell welcomed the report and noted that it would be submitted to council for approval. She also referred to page 226 Built Facilities and queried how the definition had changed for Hangleton Bottom to aerobic digestion. She also hoped

that the Planning Inspector would agree with the decision that London's waste would not have to be accounted for within the plan.

- 168.3 The Head of Planning and Public Protection informed the meeting that the WMP did not change the allocations for Hangleton Bottom and Hollingdean Depot and noted that a separate Site Allocation Document would be produced to follow the Plan.
- 168.4 The Chair noted the information and stated that there was a need to amend the recommendations at 2.2 to take account of changes to publication dates by East Sussex County Council. The proposed public consultation would commence on the 24<sup>th</sup> February rather than the 21<sup>st</sup> and paragraphs 3.5 and 4.1 should be amended to reflect the change so as to read 24<sup>th</sup> February to 10<sup>th</sup> April 2012.
- 168.5 **RESOLVED:** That Council be recommended:
- (1) To note the analysis of the response to the consultation on the draft Waste and Minerals Plan;
  - (2) To agree the Proposed Submission Waste and Minerals Plan (PSWMP) and its publication for statutory public consultation for a six week period commencing on 24 February 2012;
  - (3) To agree that the document be subsequently submitted to the Secretary of State subject to no material changes, other than alterations for the purposes of clarification, improved accuracy of meaning or typographical corrections, being necessary; and
  - (4) To authorise the Strategic Director, Place to agree any alterations for the purposes of clarification, improved accuracy of meaning or typographical corrections to the text of the PSWMP with East Sussex County Council and the South Downs National Park Authority prior to consultation.

## **169. HEALTH & WELLBEING BOARD DEVELOPMENT (SHADOW YEAR)**

- 169.1 The Chair introduced the report which concerned the establishment of a Health and Wellbeing Board from 2013 and the proposed creation of a Shadow Health and Wellbeing Board in April 2012 to enable the necessary changes for the new Board to be developed and put into place prior to it coming into operation. The Chair also noted that an amendment to the make-up of the Board had been proposed and accepted at the Governance Committee meeting held on the 10<sup>th</sup> January, and that an extract from the minutes of the meeting was included in the agenda papers.
- 169.2 **RESOLVED:** That the report and the extract from the Governance Committee be noted.

## **170. ESTABLISHMENT OF A LOCAL HEALTHWATCH**

- 170.1 Councillor Jarrett introduced the report which outlined the need to establish a local Healthwatch as a result of the Health & Social Care Bill 2011, which would replace the current statutory body of LINKs. He noted that it was proposed to go through a

procurement process to appoint a suitably qualified organisation to enable the local Healthwatch to fulfil its role.

**170.2 RESOLVED:**

- (1) That the commencement of a procurement process to appoint a suitably qualified organisation to enable the local HealthWatch to fulfil its proposed statutory duties as set out in the Health and Social Care Bill be agreed;
- (2) That the Strategic Director People be granted delegated authority to enter into contract on suitable terms on behalf of the council upon completion of the procurement process and once the relevant legislation is in force; and
- (3) That the extension of contract with the current hosts of the LINK to April 2013. be agreed.

**171. CITY PERFORMANCE PLAN TARGETS**

171.1 Councillor J. Kitcat introduced the report which detailed the headline indicator targets for the City Performance Plan that had been approved in July 2011. He noted that the targets were regularly monitored and update reports brought to the Cabinet for information.

171.2 The Cabinet noted that some figures had been inadvertently transposed on page 308,

Under Residual Waste per household the figures should read: Result 2010/11 605.28 and Target /forecast 2012/14 602 and for

Transport Local bus passenger journeys originating in the authority area the target/forecast figure should be 44.55m.

**171.3 RESOLVED:**

- (1) That the report be noted and the proposed targets in Appendix 1 to the report be approved; and
- (2) That it be noted that the CPP is being developed in an interim year and will be subject to regular review in order to ensure that it adequately fulfils local requirements and accountabilities.

**172. STATE OF THE LOCAL ENVIRONMENT REPORT (SOLE)**

172.1 Councillor West introduced the report and welcomed its submission which provided a snap shot of the current state of the local environment within the city. He wished to congratulate the City Sustainability Partnership on commissioning the review and to thank the Sustainability Team for their work in putting the report together. It had proved to be a large piece of work and he noted that the City Sustainability Partnership would need to decide on how often to update the information. He also noted that there were still some gaps in the information that was held and hoped that these could be completed in the future.

- 172.2 Councillor Mitchell noted that it had taken some time to bring the report forward but stated that she was happy to work with the Administration to take things forward and asked that clear priorities, actions and outcomes be identified.
- 172.3 Councillor G. Theobald stated that he felt the report was helpful in providing a clear base for the commissioning programme and would therefore be interested in seeing what would come forward as a result. He had hoped for more up-to-date information to have been included and was disappointed to see that there were only twenty-eight registered electric vehicle users.
- 172.4 Councillor West noted the comments and stated that he shared Councillor Mitchell's frustration in regard to identifying outcomes, but noted that there was a need to have the resources and genuine political commitment to the process from all groups.
- 172.5 Councillor Mitchell stated that once there was clarity in regard to the Administration's budget proposals the Labour & Co-operative Group would be able put forward their amendments, if any, but it was difficult to do so until the budget was clear. She noted that there had changes announced recently to the budget and therefore needed time to consider these.
- 172.6 **RESOLVED:** That the State of the Local Environment report and, at Appendix 1 to the report, the key environmental issues highlighted by it and the plans in place to tackle these be noted.

### **173. PROCUREMENT OF HOUSING AND ADULT SOCIAL CARE ADAPTATIONS FRAMEWORK AGREEMENT**

- 173.1 Councillor Wakefield introduced the report which sought approval for the tendering of a framework agreement to provide for minor and major adaptations in council homes and in private sector housing in Brighton and Hove.
- 173.2 Councillor G. Theobald welcomed the report and stated that he believed it was an excellent idea and noted that the Government had recently announced proposals to support the elderly in their homes and asked if and when details were received that they be shared with councillors.
- 173.3 Councillor Jarrett stated that officers were awaiting information on the levels of funding but once this was known it would be made available to Members. He also believed that the proposal was a good idea and one that he felt would be of benefit to the council and tenants.
- 173.4 **RESOLVED:**
- (1) The procurement of a framework agreement for minor and major adaptations works in council homes and in private sector housing with a term of three years and an option to extend for one year be approved;

- (2) That authority be delegated to the Strategic Director for Place to carry out the procurement of the framework agreement referred to in 2.2 above including the award and letting of the framework agreement; and
- (3) That delegated authority to the Strategic Director for Place to grant a one year extension to the framework agreement referred to in 2.2 above be agreed should he/she consider it appropriate at the relevant time.

#### **174. PHOTOVOLTAIC SOLAR PANEL IMPLEMENTATION PLAN FOR NON-HOUSING PROPERTIES - UPDATE**

174.1 Councillor J. Kitcat introduced the report which provided an update on the installation of photovoltaic solar (PV) panels to non-housing council owned property, taking into account recent changes to the feed-in tariff proposed by the Government which were out for consultation and would directly affect the previously proposed business case for the provision of PV panels. He noted that the likelihood was that the changes would have an adverse impact to the previous business case making most of the proposed installations unviable and therefore an alternative option was proposed for the two tendered Lots.

174.2 Councillor Mitchell stated that it was regrettable that the likelihood was to have to scale-down the proposed installations but she hoped that the revised option would be taken forward should it be the only viable one.

#### **174.3 RESOLVED:**

- (1) That Strategic Director of Resources and Director of Finance be given delegated authority to approve the purchase and installation of PV solar panels for the 3 main council corporate administration buildings (referred to in paragraph 3.11 of the report), to be refurbished in the Workstyles Phase 2 transformation project approved at Cabinet on 8<sup>th</sup> December 2011, after consultation with the Cabinet Member for Finance & Central Services;
- (2) That any approval given under paragraph (1) above shall apply only after:
  - (i) more detailed costs for the business case and a proposed funding model for such purchase and installation are provided by specialist PV solar sub contractors following a tendering exercise to be undertaken by the Strategic Construction Partnership contractor carrying out the building works contract for Workstyles Phase 2 and;
  - (ii) the publication of the Government's decision on the FiT payment consultation document; and
- (3) That with respect to schools sites, it be agreed that the Government FiT changes consultation feedback is needed before the council can discuss the revised business cases, pay back periods and possible funding mechanisms with the list of schools that have shown an interest in the PV solar installations that the council have consulted with previously.

#### **175. PATCHAM PLACE**

- 175.1 Councillor J. Kitcat introduced the report which detailed the marketing of Patcham Place and noted that a preferred bidder had been identified and that a capital receipt would be achieved, which was good news for the council. He wished to thank the officers involved progressing the sale of the site.
- 175.2 Councillors G. Theobald and Mitchell both welcomed the report and the outcome.
- 175.3 **RESOLVED:**
- (1) That the disposal of Patcham Place and stables on a 125 year lease to the preferred bidder be approved, with the net capital receipt to be used to support the council's corporate accommodation strategy – Workstyles transformation project and capital programme;
  - (2) That should the preferred bidder withdraw, the Strategic Director Resources be authorised to continue with the disposal to a reserve bidder or to remarket the property as appropriate.

### **PART TWO SUMMARY**

#### **176. PATCHAM PLACE - DISPOSAL UPDATE - EXEMPT CATEGORY 3**

- 176.1 Councillor J. Kitcat informed the Cabinet that three tenders had been received and that a preferred bidder had been accepted.
- 176.2 **RESOLVED:**
- (1) That the disposal of Patcham Place and stables as detailed in the report be approved, with the net capital receipt to be used to support the council's corporate accommodation strategy – Workstyles transformation project and capital programme;
  - (2) That should the preferred bidder withdraw, the Strategic Director Resources be authorised to continue with the disposal to a reserve bidder or to remarket the property as appropriate.

#### **177. PART TWO ITEMS**

- 177.1 The Cabinet considered whether or not any of the above items should remain exempt from disclosure to the press and public.
- 177.2 **RESOLVED** – That item 176 and the decisions thereon, contained in part two of the agenda, remain exempt from disclosure to the press and public.

The meeting concluded at 6.05pm

Signed

Chair

Dated this

day of



**CABINET****Agenda Item 182(b)**

9 February 2012

Brighton &amp; Hove City Council

<b>Subject:</b>	<b>Music &amp; Arts Services Cuts – Extract from the Council Meeting held on the 26<sup>th</sup> January 2012</b>		
<b>Date of Meeting:</b>	<b>9 February 2012</b>		
<b>Report of:</b>	<b>Strategic Director: Resources</b>		
<b>Cabinet Member Responsible:</b>	<b>Councillor Shanks, Cabinet Member for Children &amp; Young People</b>		
<b>Contact Officer:</b>	<b>Name: Mark Wall</b>	<b>Tel: 29-1006</b>	
	<b>E-mail: mark.wall@brighton-hove.gov.uk</b>		
<b>Wards Affected:</b>	<b>All</b>		

**BRIGHTON & HOVE CITY COUNCIL**

**4.30pm 26<sup>th</sup> January 2012  
COUNCIL CHAMBER, HOVE TOWN HALL**

**DRAFT MINUTES**

**Present:** Councillors: Meadows (Chair); Wells (Deputy Chair), Barnett, Bennett, Bowden, Brown, Buckley, Carden, Cox, Davey, Deane, Duncan, Farrow, Fitch, Follett, Gilbey, Hamilton, Hawtree, Janio, Jarrett, Jones, Kennedy, J Kitcat, Lepper, Littman, MacCafferty, Marsh, Mears, Mitchell, Morgan, A. Norman, K. Norman, Peltzer Dunn, Phillips, Pidgeon, Pissaridou, Powell, Randall, Robins, Rufus, Shanks, Simson, Smith, Summers, Sykes, C Theobald, G Theobald, Turton, Wakefield, Wealls and West.

**PART ONE****59(A). MUSIC & ARTS SERVICES CUTS – PETITION TRIGGERING A FULL COUNCIL DEBATE**

- 59.1 The Mayor stated that under the Council's petition scheme, if a petition contained 1,250 or more signatures, it could be debated by the Full Council and such a request had been made in respect of an e-petition concerning proposed cuts to the Music & Arts Services. She also noted that a deputation had been submitted on the issue and at the request of the Spokesperson, had agreed that he should speak to the deputation and present the petition on the matter at the same time.
- 59.2 The Mayor then invited Mr. K. Turvey to present both the deputation and the petition concerning the proposed cuts to the music and arts services.
- 59.3 Mr. Turvey thanked the Mayor and stated that a total of 4,234 people had signed the combined paper and e-petition which read as follows:

"We the undersigned petition the council to not cut funding to the Brighton and Hove Music & Arts Service by 50% in 2012 and by 100% by 2013.

Currently 2500 children each week are engaged in Music and Arts Service activities across the city including 500 families from low income backgrounds who access subsidies provided through the service. We believe that an "outstanding" Music and Arts Service, such as we have in Brighton and Hove is an integral part of a comprehensive education for all children in our City. We urge the Council to reverse this proposed cut that will directly impact on children and young people across the city from all schools."

- 59.4 Mr. Turvey also referred to the deputation which had been circulated with the addendum papers and noted that a number of testimonials had been submitted in support of the music & arts services. He stated that he hoped the council would take account of the number of people who had signed the petition and review the proposed cuts so as to reinstate the funding for the services that were enjoyed by people of all ages. He noted that a mother of a child on income support had not been aware of the fact that her child could benefit from attending a music workshop at Blatchington Mill School but since this had been made known to her, her child had benefitted enormously and was looking forward to attending music classes in the future. However, the proposals would mean that they would lose that part of their lives.
- 59.5 Councillor Shanks noted both the deputation and the petition and thanked Mr. Turvey for putting forward the arguments. She acknowledged the value of the services that were provided and stated that having listened to people's concerns as part of the budget consultation process, the savings for 2012/13 had been reinstated and 75% of the savings for 2013/14. The council was working with its partners and looking at options to provide for the funding gap that would exist and she was hopeful that this would be achieved.
- 59.6 Councillor A. Norman moved an amendment on behalf of the Conservative Group to include a further recommendation at 2.2 of the report detailing the petition, which requested that the Cabinet give consideration to ensuring that the music service remained fully funded for at least two years.
- 59.7 Councillor Wealls formally seconded the amendment and stated that the impact which music had on young people's lives was something that should be taken into account. He had not realised how much of a positive impact it could have on learning for other subject areas.
- 59.8 Councillor Lepper welcomed the changes to the proposed savings as outlined by Councillor Shanks and stated that she believed Brighton & Hove was the music capital of the south coast and should be protected.
- 59.9 Councillor Brown stated that she fully supported the petition and that the service offered was second to none and paid dividends in the long run for those that experienced it.
- 59.10 Councillor MacCafferty stated that he was himself a musician and fully appreciated how music played an important role in the lives of people. He noted that music & arts services had been cut severely by the Government and hoped that the council could support its service wherever possible.

59.11 Councillor Shanks noted the comments and stated that the reinstatement of the funding had resulted from the consultation process and listening to the concerns raised. She accepted that everybody felt that a wonderful service was provided and that was a reason why she was happy to accept the amendment and look to find ways of funding the service in the future.

59.12 The Mayor noted that the amendment had been accepted and put the recommendations as amended to the vote which was carried.

59.13 **RESOLVED:**

(1) That the petition be referred to the Budget Cabinet Meeting on the 9<sup>th</sup> February for consideration;

(2) That the Cabinet be requested to give consideration to ensuring that the Music Service remained fully funded for at least two years.



**CABINET****Agenda Item 187(a)**

9 February 2012

Brighton &amp; Hove City Council

<b>Subject:</b>	<b>Accept the Council Tax Freeze Grant – Extract from the Council Meeting held on the 26<sup>th</sup> January 2012</b>		
<b>Date of Meeting:</b>	<b>9 February 2012</b>		
<b>Report of:</b>	<b>Strategic Director: Resources</b>		
<b>Cabinet Member Responsible:</b>	<b>Councillor J. Kitcat, Cabinet Member for Finance &amp; Central Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Mark Wall</b>	<b>Tel: 29-1006</b>
	<b>E-mail:</b>	mark.wall@brighton-hove.gov.uk	
<b>Wards Affected:</b>	All		

**BRIGHTON & HOVE CITY COUNCIL**

**4.30pm 26<sup>th</sup> January 2012**  
**COUNCIL CHAMBER, HOVE TOWN HALL**

**DRAFT MINUTES**

**Present:** Councillors: Meadows (Chair); Wells (Deputy Chair), Barnett, Bennett, Bowden, Brown, Buckley, Carden, Cox, Davey, Deane, Duncan, Farrow, Fitch, Follett, Gilbey, Hamilton, Hawtree, Janio, Jarrett, Jones, Kennedy, J Kitcat, Lepper, Littman, MacCafferty, Marsh, Mears, Mitchell, Morgan, A. Norman, K. Norman, Peltzer Dunn, Phillips, Pidgeon, Pissaridou, Powell, Randall, Robins, Rufus, Shanks, Simson, Smith, Summers, Sykes, C Theobald, G Theobald, Turton, Wakefield, Wealls and West.

**PART ONE****65(A). ACCEPT THE COUNCIL TAX FRFREEZE GRANT**

- 65.1 The Notice of Motion as detailed in the agenda was proposed by Councillor A. Norman on behalf of the Conservative Group and seconded by Councillor G. Theobald.
- 65.2 Councillor Hamilton moved an amendment on behalf of the Labour & Co-operative Group which was seconded by Councillor Mitchell.
- 65.3 The Mayor noted that the amendment moved by Councillor Hamilton had not been accepted by Councillor A. Norman and therefore put the proposed amendment to vote which was lost.
- 65.4 The Mayor then put the following motion to the vote:

“This Council warmly welcomes the offer of Government grant funding worth £3 million that would enable a council tax freeze for Brighton & Hove’s residents in 2012/13. It,

therefore, profoundly regrets the Green Administration's stated intention to turn down this money and instead increase council tax by 3.5% for each of the next 3 years.

The Administration's refusal to accept the £3 million flies in the face of public opinion. Currently, over 7,000 residents have taken part in the Argus referendum on the subject and 70% have indicated that they would like a council tax freeze. The Argus' public-spirited campaign to consult as widely as possible with the residents of Brighton & Hove contrasts sharply with the Administration's consultation exercise which involved only forty eight residents, whilst incurring a cost of almost £10,000.

Therefore, without prejudice to the final decision being taken at the Budget Council meeting, this Council urges the Administration to produce a Budget for the whole city which will take advantage of the £3 million Government grant and deliver a much-needed council tax freeze to the hard-pressed residents of Brighton & Hove in these tough economic times."

65.5 **The motion was carried.**

<b>Subject:</b>	<b>General Fund Revenue Budget &amp; Council Tax 2012/13</b>		
<b>Date of Meeting:</b>	<b>9<sup>th</sup> February 2012</b>		
<b>Report of:</b>	<b>Director of Finance</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Mark Ireland</b>	<b>Tel: 29-1240</b>
		<b>James Hengeveld</b>	<b>29-1242</b>
	<b>E-mail:</b>	<b>Mark.ireland@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No. CAB21045</b>	
<b>Wards Affected:</b>	<b>All</b>		

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

- 1.1 This report sets out the final proposals for the General Fund Revenue Budget and Council Tax for 2012/13. It takes into account feedback and evidence received through consultation, the scrutiny process and equalities impact assessments. A number of significant changes to the original proposals agreed by Cabinet on December 8<sup>th</sup> 2011 have been made as a result. It also sets out the principles on which the budget has been prepared and highlights ways in which investment in key preventative services is being sustained and in some cases enhanced.
- 1.2 The report also sets out indicative proposals for the 2013/14 budget. While the council will not be setting the budget for 2013/14 at this stage, this information will help provide context for decision making for 2012/13. It also enables further detailed planning and consultation to be undertaken.
- 1.3 There is also an update of the Medium Term Financial Strategy including long term resource projections that take into account the government's proposals for reforms to local government finance. A carbon budget has been set for the first time alongside the financial budget.

**2. RECOMMENDATIONS:**

- 2.1 To recommend to Council, subject to recommendation 2.3 below, the 2012/13 General Fund Revenue Budget proposals contained in the body of this report including:
  - A 3.5% increase in the Brighton & Hove element of the council tax.
  - The 2012/13 budget allocations to services as set out in appendix 1.
  - The council's net General Fund budget requirement for 2012/13 of £227.1m.
  - The reinvestments as set out in paragraph 3.35.
  - The budget savings package as set out in appendix 10.
  - The contingency budget of £4.9m as set out in table 5.
  - The reserves allocations as set out in appendix 5 and table 3.

- The borrowing limit for the year commencing 1 April 2012 of £383m (to include long term liabilities relating to PFI schemes of £62m).
  - The annual Minimum Revenue Provision statement as set out in appendix 8.
  - The prudential indicators as set out in appendix 9 to this report.
- 2.2 Note the revised Medium Term Financial Strategy budget and resource projections for 2012/13 to 2014/15 as set out in appendix 6.
- 2.3 Note that supplementary information needed to set the overall council tax will be provided for the budget setting Council as listed in paragraph 4.5.

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

#### ***Format of the Budget report***

- 3.1 The report sets out for the General Fund Revenue Budget:
- Projections of the resources available to fund the 2012/13 budget.
  - A summary of the expenditure estimates for the current year, set out in detail in month 9 Targeted Budget Management report to Cabinet, and details of the forecasts and proposals for 2012/13 including an analysis of the movements from 2011/12.
  - The proposed council tax increase of 3.5% for 2012/13 and the potential financial impact on the budget of agreeing a council tax freeze and accepting the 2012/13 council tax freeze grant from the Government.
  - Updated financial projections for the medium term financial strategy covering the 3 year period 2012/13 to 2014/15 and risk assessment.
  - A report from the Chief Finance Officer on the robustness of the estimates included in the budget and the adequacy of the level of reserves provided for in the budget.
  - The budget consultation undertaken to date and the outcomes.
  - A carbon budget.
- 3.2 The council has a total gross budget of about £780m in the current year covering the schools budget (met by dedicated schools grant and the pupil premium details of which are given later in this report), housing and council tax benefit transfer payments (met by Government grant), housing revenue account budget (met largely from council house rents and is the subject of a separate report elsewhere on the agenda) and the general fund budget. The general fund gross budget of just over £380m this year is approximately funded 30% by council tax, 30% by fees and charges and 40% by Government grants. The paragraphs below in the projected resources section set out in more detail the forecast funding available for the general fund in 2012/13.
- 3.3 The 2012/13 expenditure estimates section details the changes from the 2011/12 budget including:



- An adjusted base budget for 2011/12 to enable a like-for-like comparison between the years covering any changes in function and funding and internal budget transfers between services.
- Assumed levels of pay and general inflation including information on the key factors which will influence future pay related budgets.
- The additional amounts included in the budget to cover higher spending needed to maintain current service levels described as spending pressures.
- Proposals for efficiency and other savings needed to set a balanced budget including the latest staffing implications and the strategies implemented to minimise the number of compulsory redundancies across the workforce.
- Analysis of the changes in the corporate budgets including the minimum level for the risk provisions.
- The changes that have been made to the original proposals following the consultation, scrutiny and Equalities Impact Assessment (EIA) processes.

3.4 The section on council tax shows the proposals for the Brighton & Hove council element which is about 85% of the total tax with the balance being set by Sussex Police and East Sussex Fire Authority. The section also includes the latest information on what increase in council tax would trigger a referendum which all members need to be mindful of when setting both the budget and council tax.

### **Projected Resources available in 2012/13**

#### ***Local Government Finance Settlement – Formula Grant***

3.5 The final settlement for 2012/13 was announced on 31 January 2012 and showed no changes from the provisional settlement announced in December 2011. The council continues to be at the grant floor for the final year of the current system with floor support of £11m. Different grant floors have been set by the Government depending on how dependent each authority is on Government grant funding, with those authorities that are least dependent on grant receiving the biggest grant reductions. For authorities with social care responsibilities the grant floor reduction varies between 7.4% and 10.4%. The council has a slightly lower than average reliance on Government grants so has been placed in band 3 with a reduction of 9.4%. The table below shows the formula grant allocations for the council for 2011/12 and 2012/13 compared to the national and unitary council averages.

<b>TABLE 1 – Formula Grant (based on final settlement)</b>					
	Brighton & Hove City Council			National Average	Unitary Average
	£ million	Change* £ million	Change %	Change %	Change %
2011/12	112.413	-17.245	-13.3%	-9.9%	-11.4%
2012/13	104.372	-10.518	-9.4%	-7.3%	-7.6%

*\*Note: the change is shown on the base for the previous year adjusted for changes in function and funding. Details of the adjustments and the additional pressures the function and funding changes place on the budget are given later in this report. The formula grant for 2012/13 now includes the 2011/12 council tax freeze grant of £2.995m that was previously shown separately.*

- 3.6 The provisional 2012/13 non-domestic rating multiplier set by the Government is 45.8 pence in the pound and the provisional 2012/13 small business non-domestic rating multiplier is 45.0 pence in the pound. Both amounts have increased by approximately the rate of inflation as measured by the Retail Price Index in September 2011 of 5.6%.

#### **Changes in function / funding**

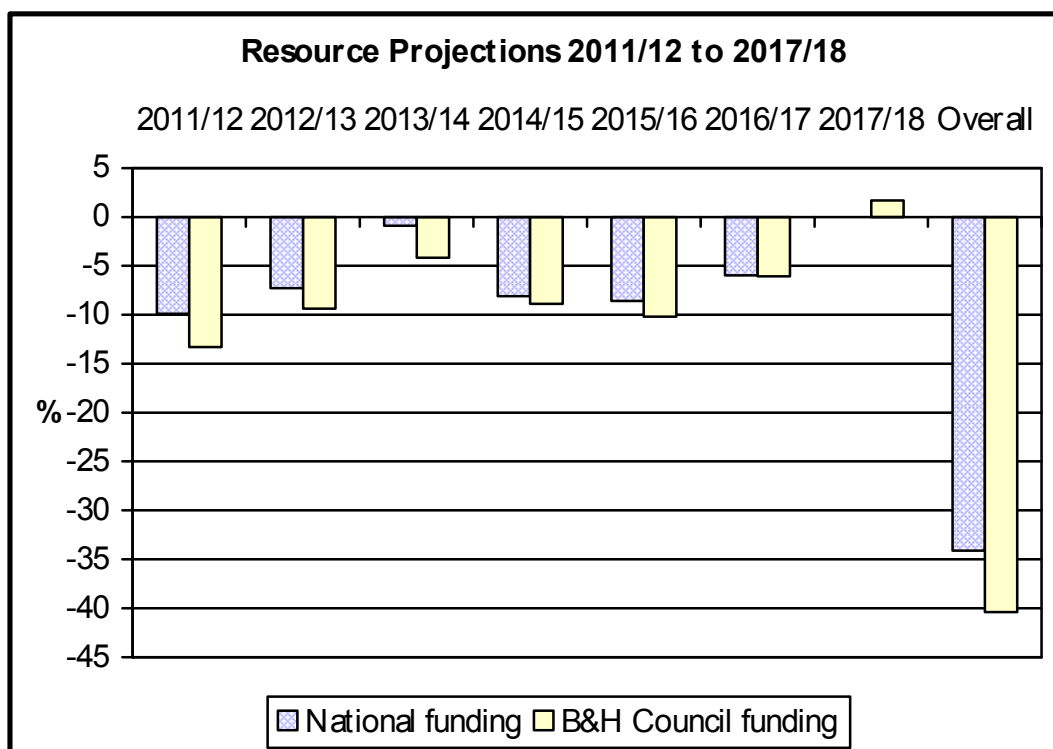
- 3.7 The finance settlement for 2012/13 includes the transfer of the recurrent 2011/12 council tax freeze specific grant into formula grant. There are two transfers out of formula grant associated with the loss of certain responsibilities that have led to additional pressures on the budget of just over £0.5m in 2012/13 and these are listed below.
- The Government has top-sliced £114.5m nationally in 2012/13 to represent the reductions in local authority central education (LEA) services spending as a result of the setting up of academies. The Brighton & Hove share of this reduction is £0.409m based on our share of the formula for these services which is not related to the number of pupils in academies within the authority. However, the Department of Education has proposed to amend this calculation to reflect actual pupil numbers at academies whilst ensuring that no local authority will be worse off. The revised calculation will be undertaken after the January 2013 pupil count is completed and verified so any change will not be known until that time.
  - Responsibility for the maintenance of private sewers has been transferred to the water companies and the Government has top-sliced £20.1m nationally in 2012/13 to reflect this transfer. The council's share of this reduction is £0.110m but no offsetting reduction in spending can be identified in the budget.

#### **Potential funding changes from 1 April 2013**

- 3.8 The Government has proposed some far reaching changes to local government finance starting in 2013/14 including the retention of local business rates, localisation of council tax benefit and technical reforms to

council tax. Details are given in the Medium Term Financial Strategy (MTFS) update in appendix 6.

- 3.9 The chart below shows the resource forecasts up to 2017/18 as funding for local authorities transfers from the formula grant system to the business rates retention model. The forecasts are uncertain at this stage as the Government still has to make important decisions on how the proposals will work in practice and data used in the model will need to be refined over the coming year. The resource forecasts for 2013/14 and 2014/15 have improved by £0.7m and £1.4m respectively since the July and December budget reports to Cabinet. This improvement is largely due to the confirmation that floor grant will be fully protected in the new system however this is partly offset by provisions for new risks to the council associated with future levels of business rates income.



### **Schools Funding**

- 3.10 The Dedicated Schools Grant (DSG) can only be used for the purposes of the Schools Budget. The Schools Budget consists of delegated budgets allocated to individual schools and early years provision in Private, Voluntary and Independent (PVI) settings, and a budget for other provisions for pupils which local authorities fund centrally, such as out of city placements.
- 3.11 The total national funding available for the pupil premium will be £1.25bn in 2012/13, rising each year until 2014/15 when it will be worth £2.5bn. The pupil premium will target extra money at pupils from deprived backgrounds – pupils who under achieve compared to their non-deprived peers – in order to support them in reaching their potential. In 2012/13, the pupil premium will be allocated to those pupils eligible for Free School Meals (FSM) or those “looked after” for more than six months. FSM has been chosen

because it directly targets pupils and because the link between FSM eligibility and low attainment is strong.

- 3.12 The level of the pupil premium in 2012/13 is £600 per eligible pupil, which is approximately £3.9m for Brighton & Hove schools. The funding for the pupil premium is in addition to the underlying schools budget, and schools will have freedom to employ the strategies that they know will support their pupils to increase their attainment.
- 3.13 The actual level of budget for each individual school will vary depending on local circumstances. The minimum funding guarantee is set so that no school will see a reduction compared with its 2011/12 budget (excluding sixth form funding) of more than -1.5% per pupil before pupil premium is applied.
- 3.14 The guarantee applies to a school's overall 2011/12 budget including grants that have been mainstreamed into DSG.

<b>TABLE 2 – Schools Funding</b>	<b>2011/12</b>	<b>2012/13</b>
	<b>£ million</b>	<b>£ million</b>
Dedicated Schools grant	133.745	148.355
Grants	17.946	Included in above
Other Changes: -		
Funding for increased pupil numbers	2.290	1.022
Less: Funding transferred to Falmer Academy & Portslade Academy	-5.626	-1.833
<b>Total</b>	<b>148.355</b>	<b>147.544</b>

- 3.15 The Young People's Learning Agency (YPLA) has advised that for schools with sixth form colleges, the unit funding per learner for post-16 students will fall when compared to the 2011/12 rate. The YPLA will protect sixth form budgets so that no provider will lose more than 3% of its funding per learner when compared with 2011/12.

### ***Specific Grants***

- 3.16 The known specific grant allocations for 2012/13 have been included in appendix 4 with the 2011/12 allocations for comparison.

### ***New Homes Bonus***

- 3.17 The provisional funding allocation for the second tranche of new homes bonus funding was announced on 1 December 2011 at £0.425m per annum for the next 6 years. It is proposed that £0.225m of the funding is used to support the revenue budget and the remaining £0.2m for housing initiatives particularly to bring empty properties back into use to meet strategic housing objectives and also to generate further bonuses in the future.

### ***Fees and Charges***

- 3.18 The Council's Corporate Fees & Charges Policy requires that all fees and charges are reviewed at least annually and should normally be increased by either the standard rate of inflation of 2%, statutory increases, or actual increases in the costs of providing the service as applicable. Non-statutory increases above the standard rate of inflation and/or changes to concessions or subsidies should be reported to and considered at the relevant Cabinet Member Meeting. Where appropriate, details of changes to fees and charges for 2012/13 have therefore been presented to the relevant Cabinet Member Meetings prior to Budget Council. In addition, an overarching review of fees and charges has been undertaken to assess the cumulative equality impact of proposed changes. The review concluded that there was unlikely to be any significant disproportionate impact and that charging policies for services provided to vulnerable groups (e.g. social care services) were already designed to protect vulnerable people, for example, through means tests. Fees and Charges proposals were submitted to the following meetings:

<b>Fees &amp; Charges area</b>	<b>Decision-Making meeting</b>	<b>Date</b>
Licensing and Enforcement	Licensing Committee	17 Nov 2011
Parking Tariffs	Environment, Transport & Sustainability CMM	29 Nov 2011
Sports Facilities Contracts	Culture, Recreation & Tourism CMM	6 Dec 2011
Venues, Royal Pavilion and Museums	Culture, Recreation & Tourism CMM	6 Dec 2011
Libraries	Culture, Recreation & Tourism CMM	6 Dec 2011
Seafront Services	Culture, Recreation & Tourism CMM	6 Dec 2011
Adult Social Care Non-residential care services	Adult Social Care & Health CMM	16 Jan 2012
Private Sector Housing – HMO Licensing	Housing CMM	18 Jan 2012
City Services, Trading Standards, Environmental Health and Building Control	Cabinet	19 Jan 2012
Children & Young People	Children & Young People CMM	20 Jan 2012
Highways and City Parks	Environment, Transport & Sustainability CMM	24 Jan 2012

### ***Council Tax and Council Tax Freeze Grant***

- 3.19 The council tax funds approximately 30% of the general fund gross budget and the collection fund is the account into which all council tax is paid. It is a statutory requirement that the collection fund is reviewed each January to

determine whether it is projected to be in surplus or deficit. The January 2012 review of the collection fund has shown that the council's share of the projected deficit on the council tax collection fund at 31 March 2012 is £0.85m of which £0.2m relates to the previous year. Council tax collection performance during the year so far exceeds target levels but higher than expected levels of exemptions and discounts during this year has led to the forecast deficit of £0.65m. The deficit represents a 0.6% variation in the expected total amount to be collected.

- 3.20 The tax base is the amount of money that could be raised in Brighton & Hove by levying a council tax of £1. The 2012/13 tax base of 94,601.45 was agreed by Cabinet on 19 January 2012 and represented a 0.3% decrease from the 2011/12 figure, mainly due to a higher number of exemptions.
- 3.21 The council will continue to receive 2011/12 council tax freeze grant of £3m per annum for the remainder of the current spending review period. In September the Chancellor announced that money had been found in the national budget to fund a further council tax freeze for 2012/13. Communities & Local Government (CLG) has confirmed that the council would be entitled to a further one-off grant of £3m for 2012/13 equivalent to a council tax increase of 2.5% should the council agree to freeze council tax next year. CLG also confirmed that this grant would cease after 2012/13.
- 3.22 The resource forecasts shown in this report assume that council tax will increase by 3.5% next year as set out in the December Cabinet report. A decision to freeze the council tax in 2012/13 will require an additional £1.2m recurrent savings to be identified and agreed for next year and an additional £3m recurrent savings in 2013/14 when the new council tax freeze grant ends or require a higher increase in council tax. A section later in this report explains how proposals to increase the council tax beyond a limit set by the Government will now lead to a local council tax referendum.

### **Reserves**

- 3.23 The working balance is planned to be maintained at £9m over the next 3 years in line with Audit Commission guidelines. The following table shows the projected general reserves position to 31 March 2012 assuming spending is in line with the latest projections for 2011/12 shown in the TBM 9 report.
- 3.24 The table includes the potential Collection Fund deficit which is highlighted in paragraph 3.19 of this report and details of which are given in the TBM 9 report elsewhere on this agenda.

<b>Table 3 - General Reserves</b>	<b>2011/12</b>
	<b>£'000</b>
<b>Unallocated general reserves at 1 April 2011</b>	<b>2,122</b>
TBM9 forecast under-spend for 2011/12	3,187
Unused 2011/12 one off risk provisions	400
1 <sup>st</sup> Tranche repayment by the LDV for forward funding	500

<b>Table 3 - General Reserves</b>	<b>2011/12</b>
	<b>£'000</b>
Unringfenced social care grant funding due from the PCT	800
Release of unused loan funding set aside for a new model of delivery for youth services	150
Release reserve for transition funding for youth for reallocation	500
Part release of risk management reserve following review	50
<b>Total Resources</b>	<b>7,709</b>
Resources needed to cover the council's share of:	
Actual Council Tax Collection Fund deficit in 2010/11	-183
Forecast Council Tax Collection Fund deficit for 2011/12	-668
<b>Balance of one-off resources available for allocation</b>	<b>6,858</b>
<b>Proposed allocations of one-off resources:</b>	
One-off funding to cover the full year effect of 2012/13 savings	715
One-off funding to cover the full year effect of 2013/14 savings	750
Creation of a one-off risk provision in 2012/13 budget	1,000
Top up the Restructure/ redundancy reserve to support the delivery of savings over the next 2 years	700
Contribution for approved Workstyles Phase 2 project	500
Transformation fund to support delivery of the 2012/13 and 2013/14 savings proposals	750
Contribution to Customer Access and Accommodation reserve	1,217
One-off resources to cover the Examination in Public for the Waste and Mineral Plan	100
One-off resources to support the implementation of a local council tax benefit scheme by 1/4/2013	750
Creation of fund for a 3 year youth grants programme	300
One-off resources to provide transitional funding for certain savings	76
<b>Total of proposed resource allocations</b>	<b>6,858</b>

3.25 The allocations are proposed for the following reasons:

- One off resources are needed because the lead in times, primarily due to consultation requirements, mean that not all the proposed savings for 2012/13 and 2013/14 can be delivered from 1 April each year.
- In addition to the recurrent risk provisions, it is proposed to have a one off risk provision for social care, using some of the unused 2011/12 related risk provision and all of the unringfenced grant funding for social

care which was provided to help the council deal with unexpected costs of winter pressures and so is well suited to be set aside in this way.

- There is an additional contribution to the restructure and redundancy reserve based to facilitate the staffing changes required by this budget.
- There is a contribution to the approved Workstyles Phase 2 programme in order to ensure that the programme is not overly reliant on the timing of capital receipts.
- Additional resources will be needed to support the VFM programme, particularly into 2013/14 and to ensure the delivery of proposed savings.
- There is a contribution to the Customer Access and Accommodation reserve to support the funding of the planned Workstyles Phase 3 programme which is in development and other customer access initiatives. This investment helps to deliver significant ongoing revenue savings and funding it from one off resources could free up other capital resources for new priorities.
- Resources set aside to deal with the introduction of the new local council tax support system from 1 April 2013. Some of that funding may be needed to cover any implementation costs that are not met by central government. The rest will be used to smooth the impact of the new scheme. The potential to provide transitional relief for those most affected will be explored as part of the design of the new scheme and there will be consultation on its use at the appropriate time.
- There are no existing commitments against the funding previously set aside for youth services. Therefore it is proposed to reallocate some of this to a 3 year youth community grants programme. The nature of that programme and how it will operate has not been determined at this stage.
- One off resources have been set aside to provide transitional funding for the savings relating to Shopmobility, City in Bloom and provision of audio books for the visually impaired through previously met by the RNIB subscription.

3.26 Cabinet are asked to consider and approve the allocations of one off resources for 2012/13 set out in table 3.

### **Expenditure Estimates**

#### ***Latest position in 2011/12***

3.27 The month 9 Targeted Budget Management (TBM) report elsewhere on the agenda shows a projected under-spending of £3.187m on council controlled budgets and projected under-spending of £0.137m on NHS controlled s75 services. The overall underspend is a significant improvement since month 7 was presented to Cabinet. This is mainly driven by improvements to the spending forecasts for children services and adults social care. This not only produces additional one-off usable reserves but also helps the ongoing position on the revenue budget. This is taken into account in the savings proposed in this report and the judgement on the required level of risk provision and reserves.



## 2011/12 Adjusted Base Budget

### *Internal Transfers and Other Adjustments*

- 3.28 Internal transfers relate to changes in responsibility between services and corporate budgets and in 2011/12 consist of transfers of budget to reflect the commissioning structure, distribution of VFM savings across services and where budgets have been consolidated.
- 3.29 Other adjustments cover the removal of one-off expenditure items included in the 2011/12 budget.

## 2012/13 Budget

### *Analysis of Budget Changes between 2011/12 and 2012/13*

- 3.30 The following table shows how the budget has changed since 2011/12.

<b>TABLE 4: Analysis of budget changes</b>	<b>£ million</b>
<b>Revised 2011/12 base budget</b>	<b>232.2</b>
Function and funding changes	2.5
<b>Adjusted 2011/12 base budget</b>	<b>234.7</b>
Pay and Inflation	3.0
Risk provisions (£1m each for ongoing and one-off)	2.0
Commitments & Reinvestment	-2.0
Demographic and cost service pressures	7.6
Full year effect of 2011/12 savings	-3.7
Savings package 2012/13 (Full year effect £16.5m)	-15.7
Change in use of reserves	1.2
<b>Proposed Budget 2011/12</b>	<b>227.1</b>

- 3.31 Appendix 1 shows a detailed breakdown of the proposed budgets and budget changes for each service for both 2012/13 and 2013/14. Whilst appendix 2 shows how the savings target has moved since the figures reported to Cabinet in December. The following sections give details of each change.

### *Pay and general inflation assumptions*

- 3.32 The Government announced a 2 year pay freeze for 2011/12 and 2012/13 for local government as part of the spending review. Subsequently the government announced a 1% public sector pay cap for 2013/14 and 2014/15 as part of the 2011 autumn budget statement. The 2012/13 budget includes a risk provision of £0.9m (equivalent to 0.6%) for pay related matters including providing funding for the Living Wage and changes to employment costs of agency workers. The provision for pay increases in 2013/14 is 2%.

- 3.33 The Government has set a 2% per annum target inflation rate for consumer prices for the Bank of England Monetary Committee to deliver through monetary policies. The provision for general inflation on both expenditure and income in the budget is 2% per annum in line with the Government target. There is a risk that higher levels of inflation will generate new spending pressures within the budget and services will be expected to manage this risk within their budget.

***Risk provisions included in the 2012/13 budget***

- 3.34 £1m recurrent risk provision and £1m non-recurrent risk provision has been included in this budget. That is a reduction of £0.5m on the recurrent risk provision since the original budget proposals in December. This change is partly based on the evidence of successful implementation of a complex set of savings in the current financial year and the generally positive trends on the corporate critical budgets at month 9. The non-recurrent risk provision is designed to deal with one-off issues not foreseen at budget setting times and any unusual patterns of spend in social care where the budgets can be particularly volatile to demand changes.

***Commitments and Reinvestment***

- 3.35 Details of the commitments are shown in appendix 3 and details of proposed reinvestment in services of £1.126m are shown below.
- £0.15m to replace short term funding within the sustainability team which is coming to an end.
  - £0.5m for the transformation fund to support the delivery of the VFM programme and savings in future years.
  - £0.2m for housing initiatives funded through the New homes Bonus particularly to bring empty properties back into use to meet strategic housing objectives and also to generate further bonuses in the future.
  - £0.1m for examination in public of the Waste and Mineral plan, £0.1m for the first year of the youth grants programme and the £0.076m transitional funding described in 3.25.

***Investment in Preventative Services***

- 3.36 There are a wide number of ways in which this budget sustains and invests new resources in preventative services. A number of examples are described here but this section does not attempt to cover the very broad range of activity across all services. In adult social care there are no changes to eligibility criteria for access to services and there are planned fee increases in residential and nursing homes to ensure effective quality of care. There will continue to be joint investment by the Council and the PCT in reablement strategies and a range of measures to support independent living and prevent hospital admissions. An additional £0.75m of one off resources funded from Department of Health grant has been set aside specifically to invest in additional capacity to manage demographic pressures in the over 85 year old group of service users, particularly with dementia. £1.5m of private sector renewal funding has been included in the capital programme, funded from council borrowing due to a loss of central

government grant funding. Part of this money will be targeted at energy efficiency measures that help address fuel poverty and again prevent hospital admissions, particularly amongst older people.

- 3.37 The Preventing Homelessness Grant has been protected in full and only the already planned efficiency savings on the Supporting People budget are included for each of the next two years. Actions to support the Troubled Families Initiative will be funded through a mix of existing council resources, start up funding from central government and reinvestment of previous performance reward grant. There has also been a replacement in full of lost grant funding in the Community Safety team. Much of the ethos behind the VFM initiatives in adults and children's services also focuses on prevention and the success of this underpins much of the budget proposals. There are no cuts to carers services across adults or children's services.

### **Service Pressures**

- 3.38 The budget estimates for service pressures have been reviewed since December and the latest estimates for demographic growth and other service pressures is £6.715m, specific grant reductions £0.25m, function and funding changes where there is no reduction in costs £0.52m and additional costs for the purchase of allowances through the Carbon Reduction Commitment £0.16m.
- 3.39 Details of the proposed allocations are as follows:
- Demographic and demand pressures (£4.75m): of which £2.5m for growth in numbers of clients in Adult Social care, in particular those with learning disabilities and physical disabilities and accessing mental health services. A further £2.25m pressure has been assumed for Children's services, which includes growth in independent foster and residential agency placements, in house placements and associated legal costs.
  - There is also assumed to be a continuation of the demand on travellers' services seen over recent years and on support provided by the Community Safety partnership (£0.4m).
  - Income shortfalls (£0.6m): there is assumed to be continued risks on commercial property and service areas dependent on advertising revenue.
  - Legislative and compliance risk (£0.4m): some additional costs associated with the Localism Bill are anticipated. There are ongoing issues around ICT licensing and rising insurance costs.
  - Increased energy costs and above inflation business rates costs has also been included (£0.565m). While there are other cost pressures being faced by services it is assumed that these will be identified and managed within their overall resource base.
- 3.40 Demographic and other service pressure funding of £7.5m has been included in the budget estimates for 2013/14. However indicative allocations have not been made at this stage as it is too early to predict where pressures will arise with certainty. Provision for specific service pressures has also been made covering the £2.6m reduction in council tax benefit grant, £0.45m for the inflation on other grants and £0.1m to purchase

carbon allowances. A separate additional risk provision of £0.5m has been provided for in 2013/14.

### **Budget Principles**

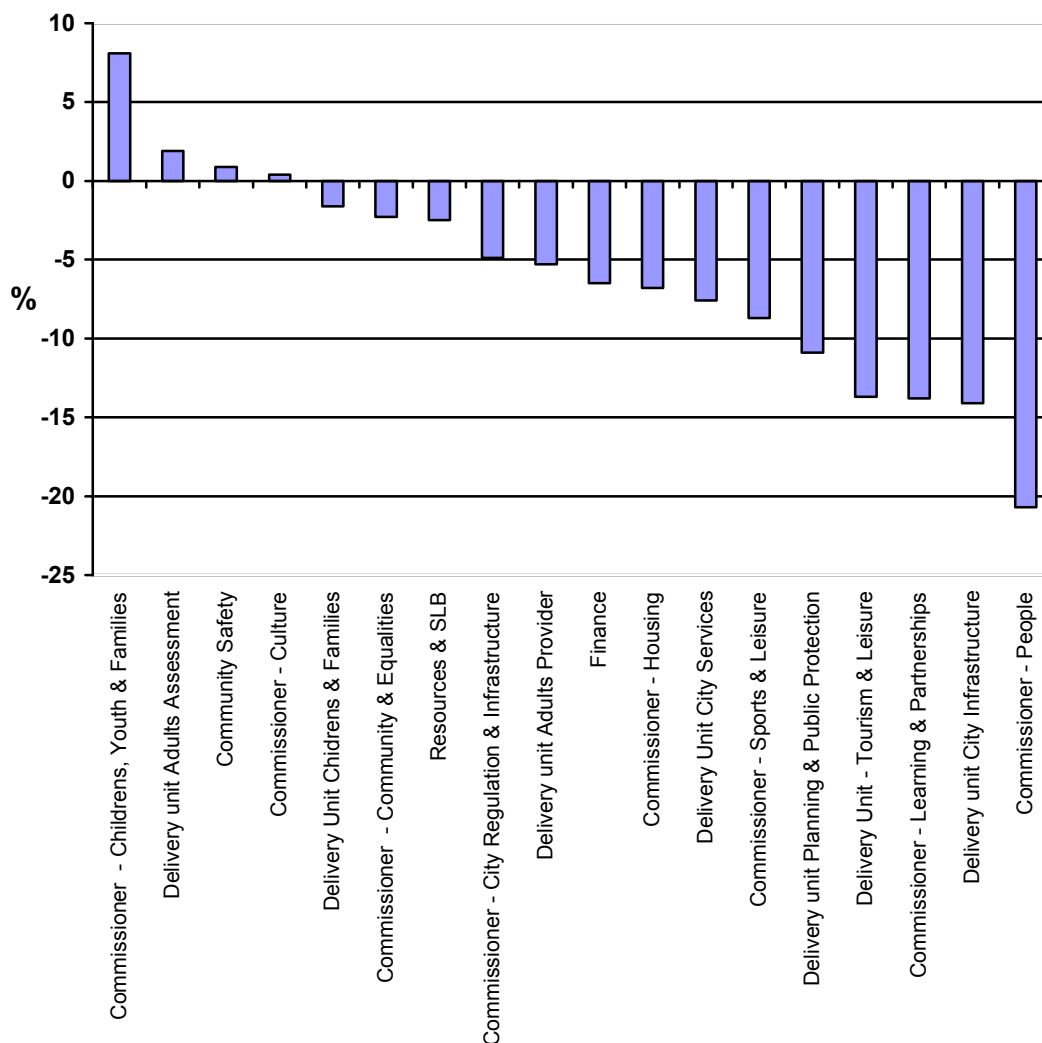
- 3.41 All service areas were asked following the report to Cabinet in July to produce options for working within budget allocations over the next 2 years of -5%, -10% and -15% based on their 2011/12 adjusted budget. This process was designed to ensure that decision making is for the medium term, not just the short term. It also enabled consideration to be given to allowing longer lead in times for delivery of savings in some areas if this would result in better long term outcomes. The options developed considered not only reductions in expenditure, but also measures to manage growth in service demand and opportunities for generating additional income. The Value for Money Programme also remains at the heart of the overall budget strategy.
- 3.42 As set out in July the budget principles on which the proposals have been developed are:
- To prioritise services for the young, elderly and vulnerable;
  - To promote efficient use of public money;
  - To support partnership working with public, private and third sector organisations.

### **Savings Proposals and Budget reductions**

- 3.43 Revisions to the budget assumptions have resulted in changes to the savings targets for 2012/13 and 2013/14. The 2012/13 target has moved from £17.25m reported to December Cabinet to £16.4m and the 2013/14 target has moved from £17.7m to 16.5m. A summary of the changes made to the budget proposals since December is given in appendix 2. It should be noted that further savings of £1.5m still need to be identified to set a balanced budget in 2013/14.
- 3.44 A summary of the budget strategy for each main budget area and the detailed savings proposals is included at appendix 10. There are some common themes across the proposals, which fit with the principles and process set out in paragraphs 3.41 and 3.42. The chart below shows the percentage change in each service area spending more than £1m between 2011/12 and 2012/13 based on the proposals set out in this report.
- 3.45 There have been a number of changes to the savings proposals published in December following feedback from scrutiny, consultation and the EIA process. These are also set out in appendix 2 and include the following areas:
- Following the announcement of central government funding reductions the saving on the Music service in 2012/13 has been removed and the saving in 2013/14 reduced;
  - A lower saving on public toilets which will enable the toilets in Saunders Park and Vale Park to remain open;

- A reduction in the planned increases on traders and business parking permits;
- A reduction in the saving on highways signing and lining and on refuse collection round changes;
- One off resources to provide transitional support for City in Bloom, Shopmobility, and new arrangements for providing audio books to the visually impaired;
- One off resources to allow the phased implementation of increases in allotment charges over the next year;
- A reduction in a number of planned savings for 2013/14 including for Supporting People, Children's Centres, Youth Employability Service and the small grants programme;
- No additional ongoing revenue resources for the planned food waste trial from 2013/14 which is conditional on receiving external grant funding and achieving further efficiencies in cityclean to reinvest back into the service;
- Further management and administration savings are planned within the VFM programme from 2013/14, once the shortfall on the existing targets has been fully bridged.

**% Change in Budget 2011/12 to 2012/13 (for budgets over £1m)**



- 3.46 The Value for Money programme is a key part of the savings package as described in paragraphs 3.53 to 3.56 and in appendix 11.
- 3.47 Investment in preventative services has been sustained and increased wherever possible as described in paragraph 3.36.
- 3.48 Additional income is being raised in order to help protect essential services. This is through a range of methods including increasing parking charges to better reflect demand and rates in comparator authorities; successful marketing and pricing strategies at the Royal Pavilion and reviewing fees and charges across a range of services to ensure that they are fair and transparent.
- 3.49 Partnership working with the community and voluntary sector remains central to the council's approach to commissioning of services. No cuts to the main grants programme are proposed and additional one off resources of £0.3m have been made available to support a new youth grants programme of £0.1m per annum over three years to support the third sector in delivering youth services. The council will continue to work with the sector

to continue to improve efficiency and reduce duplication where possible and to focus work on priority outcomes.

- 3.50 National government policy is changing the way the council works with schools and the funding available to do this. As a result there is a significant reduction in spend directly by the council through the Commissioner for Schools, Skills and Learning. The impact of this has partly been managed through a recent restructure of the service that has already been implemented. It will also be managed by using flexibility in the Dedicated Schools Grant to change the funding source for some of the central services provided by the council in order to maintain those that have the most impact on outcomes for children and young people.
- 3.51 For 2013/14 some major reshaping of services is expected and careful planning and consultation is required to ensure that priority outcomes can be delivered. Consultation will begin on the future of provision from children's centres to ensure services for the most vulnerable are delivered from the most appropriate places. At the same time the council will consider other public access points to services in the community including housing offices and libraries to identify opportunities to co-locate services. This would provide more joined up services to customers, reduce building based overheads and reduce carbon emissions.
- 3.52 The Government is currently in negotiations with the Trade Unions over changes to the Local Government Pension Scheme. The options include a range of measures which could result in lower employer contribution rates largely as a result of higher employee pension contribution rates and reduced employee benefits. The budget projections in this report do not include any savings from lower contributions as it is unclear what the financial benefit will be and whether it will be retained by the council or be passed on to the Treasury.

### ***Value For Money***

- 3.53 The council's Value for Money Programme has developed over the past few years to include significant transformation programmes affecting almost every area of the council and ranging from service transformation in social care services to efficiencies across ICT and Procurement to reductions in management and administration costs. The programme remains a core part of the council's budget strategy. The programme is challenging and complex and contains demanding financial savings targets alongside significant non-financial benefits. Their potential impact on service delivery, including staff and customers, and the efficiency of the organisation mean that they must be well-planned, have effective project management support and be properly resourced to ensure safe delivery. The 2011/12 revenue budget included £1.3m one-off resources over 2 years to ensure that VFM Programmes were effectively planned and supported.
- 3.54 In the current financial year (2011/12) the VFM Programme is expected to achieve approx £7.761m against an original target of £7.877m. This is £0.116m short of the target primarily due to difficulties outside of the council's control relating to Carbon Reduction initiatives and due to delays in taking forward System Thinking reviews. This is offset by a significant overachievement within the Children's Services VFM project. Over the 3 year period, the VFM Programme is set to exceed the original revenue

target of £18.855m by £1.033m with further potential savings expected to be identified and deliverable by 2013/14 and beyond.

- 3.55 As the programme goes forward, there are a number of areas where we plan to re-commission what we do and this takes time to do properly, including undertaking effective consultation, engagement and equalities impact assessments. To support the VFM Programme and other changes, the council will be developing a longer term investment plan which will help to deliver savings on the revenue budget through:
- More efficient working practices and office spaces;
  - Channel shift for customer access (e.g. to on-line services);
  - Reduced building costs and associated reduced energy emissions and carbon costs;
  - Reduced maintenance costs.

- 3.56 More detailed information on the VFM programme is included in appendix 11.

### ***Scrutiny***

- 3.57 The report to the Overview and Scrutiny Commission on the budget scrutiny process is attached at appendix 13. Many of the changes to the budget proposals described in paragraph 3.45 are a direct response to the questions and concerns raised through scrutiny.

### **Staffing Implications of Proposed Savings**

- 3.58 The staffing budget for 2012/13 includes funding for a £7.19 per hour living wage and the costs of complying with the new legislation for use of agency workers. A pay freeze is currently in place nationally.
- 3.59 In the December report it was estimated that 100-120 posts may be removed from the council's staffing structure as a result of the proposals for 2012/13. This estimate is still considered reasonable but actual numbers will be dependent on the detailed options proposed and on the results of formal consultation where required. The Month 9 TBM report to the 9 February Cabinet meeting also indicates that there are further savings to be made in relation 2011/12 Management & Admin Value for Money savings targets. This may require further changes to structures in some services with associated staffing implications.
- 3.60 More detailed analysis of the current vacancies within the council as at December identified that there were 64 vacant posts planned to be deleted as part of the budget proposals for 2012/13. In addition, there are a significant number of vacancies that are expected to be filled in the council structure but which will be available to redeployees and internal candidates before external recruitment is considered. This information provides further reassurance that there are opportunities to minimise the numbers of staff at risk of redundancy from either budget proposals or existing VFM targets.
- 3.61 The existing tight controls will also remain in place to help manage the impact on staff by:



- Controlling recruitment and only making permanent appointments in exceptional circumstances and when all other alternatives have been exhausted;
  - Holding any vacancies available internally to increase the opportunities for re-deployment;
  - Avoiding the use of interim or consultant appointments;
  - Limiting the use of temporary or agency resources.
- 3.62 In addition in certain circumstances, voluntary severance may be available to some staff. These measures will continue as we work with trades unions and colleagues on the detailed staffing implications.
- 3.63 It is more difficult to estimate the staffing implications of the proposals for 2013/14 as there are many different options available to implement the planned reductions in spend. The detail of numbers of staff affected in each area will only emerge through more detailed planning, consultation and options appraisals.

### **Corporate Budgets**

- 3.64 The council budget contains a number of corporate budgets that are monitored and controlled centrally. Details of the main corporate budget are set out in the following sections.

#### ***Corporate Budgets - Concessionary Fares***

- 3.65 Following the revised reimbursement guidance issued by the Department of Transport last year the council entered into fixed deals with the main bus operators in the city resulting in a saving in the budget estimated at £0.4m for the current financial year. The deal with Brighton & Hove Bus Company was for 3 years and their payment will be increased by 5.3% for 2012/13 in line with the November 2011 retail price inflation index excluding mortgage payments. It is anticipated that the increase for 2013/14 will be much lower as inflation rates are expected to continue falling over the calendar year. Although discussions are continuing with the other operators it is anticipated that forecast reimbursement payments can be met within the projected budget provision of £9.7m for 2012/13.

#### ***Corporate Budgets – Insurance Premia***

- 3.66 The insurance budget of £3.4m for 2012/13 represents both the estimated cost of insurance premia and the net cost of meeting successful claims against the council paid during the year. The council is due to retender the bulk of its insurance cover next year and the budget allows for increases in cost following a hardening in the insurance market.
- 3.67 Through the retendering process officers will review and test the value for money offered by different types of insurance and the extent of existing cover. Changes made last year continue to deliver the anticipated savings. Risk management activity across the council has meant that the overall value and level of successful claims against the council has been kept

largely under control despite the increasing claims culture within the country as a whole.

### ***Corporate Budgets - Financing Costs and Prudential Indicators***

- 3.68 The financing costs budget reflects the cost of the council's capital investment plans. The council has a fully funded capital programme depending on the achievement of certain capital receipts and the costs of funding the programme are provided for in both the general fund and housing revenue account revenue budgets.
- 3.69 The financing costs budget for 2012/13 is estimated to be £9m, a significant decrease from the original budget for 2011/12. This is largely due to changes in housing finance which will financially benefit both the General Fund and Housing Revenue Accounts. Some of the benefit to the General Fund is temporary and this money will be added to the reserve created to cover reduced investment interest returns whilst interest rates remain at historically low levels. It is projected that there is now sufficient money in the reserve to cover the next 5 years when it is anticipated that interest rates will return to about 4%. It is anticipated that a permanent annual saving of £0.47m will be achieved in this budget.
- 3.70 The prudential capital finance system introduced in 2004 requires the council to set a number of indicators for affordability, prudence and sustainability. The recommended indicators are set out in appendix 9. Members should note the indicator for the authorised limit is a statutory limit required to be determined by full Council under section 3(1) of the Local Government Act 2003.

### ***Annual Minimum Revenue Provision (MRP) Statement***

- 3.71 The council is required by law to prepare an annual statement on the amount of debt that will be repaid in the following year. The statement for 2012/13 is set out in appendix 8 which includes a change from the statement agreed for 2011/12. The change allows the option for annuity repayments, whereby the annual amount payable each year including interest is the same each year, to be used where appropriate for long term investment and income generation schemes.

### ***Corporate Budgets - Contingency***

- 3.72 The council's contingency budget includes provision for costs which are likely to occur but for which the estimated cost cannot be adequately foreseen at this stage, for example for pay. It also includes risk provisions and other resources awaiting transfer to services. The proposed contingency for 2012/13 is £4.9m as detailed in table 5.

<b>TABLE 5: Contingency</b>	<b>£ million</b>
Corporate risk provision	1.00
One-off corporate risk provision for short-term spending pressures e.g. higher than anticipated inflation	1.00
Risk provision for pay related matters	0.86
Investment anticipated in 2012/13 for the VFM programme to deliver future savings	0.65
Funding to support service transformation to meet savings over 2012/13 and 2013/14	0.53
Financing costs for the construction of the new Historic Records Office (the Keep)	0.40
New Housing Initiatives funded through the New Homes Bonus	0.20
Additional costs of the Carbon Reduction Commitment	0.16
Other resources awaiting transfer to services	0.10
<b>Total Contingency</b>	<b>4.90</b>

### ***Change in use of reserves***

- 3.73 The budget strategy for 2012/13 draws on reserves to provide temporary funding to cover the part year effect of the savings package, investment in the delivery of savings for future years, covering the council tax collection fund deficit and provide support to adult social care.

## **4 COUNCIL TAX**

- 4.1 The proposed increase of 3.5% in the council tax results in a band D council tax for the city council element of the council tax of £1,306.36 an increase of £44.16 on this year.
- 4.2 In order to propose an overall council tax for the city the council taxes of the precepting authorities need to be known. On the 2 February 2012 East Sussex Fire Authority is due to set their 2012/13 Band D council tax. The Sussex Police Authority is due to set its council tax on 16 February 2012. The 2012/13 precept for Rottingdean Parish was set on 16 January 2012 at £36,000 an increase of 33.3% on 2011/12.

### ***Council Tax Referendum***

- 4.3 The Localism Act abolished council tax capping and instead allows local residents to veto council tax increases that are deemed excessive by the Secretary of State for Communities & Local Government through a referendum. These new powers have been applied to the setting of the council tax for 2012/13.
- 4.4 In a statement published alongside the final grant settlement on 31 January 2012 the Secretary of State confirmed that local councils “will be required to seek the approval of their local electorate in a referendum if, compared with 2011-12, they set a council tax increase that exceeds 3.5%”. He also said

that this principle will not apply to town and parish councils in 2012/13 although it may in future years. The estimated cost of a referendum if it is held separately from any other election is estimated to be about £0.3m in Brighton & Hove.

### ***Supplementary Budget report to Budget Council***

4.5 Not all the budget and council tax information is available at present therefore additional information will be provided for Budget Council. This will include:-

- The Environment Agency levy figure agreed for 2012/13.
- The agreed council tax set by the Police and Fire Authorities.
- The statutory council tax calculations required under the 1992 Local Government Finance Act.
- The full budget and council tax resolution for Budget Council.

## **5 MEDIUM TERM FINANCIAL STRATEGY AND RISK ASSESSMENT**

5.1 The Medium Term Financial Strategy (MTFS) set out in appendix 6 shows the revised resources and spending projections for 2012/13 to 2014/15. The financial projections show that savings of over £50m are forecast to be needed over the 3 year period.

5.2 All the projections are based on the best information currently available. However, in the current financial climate and with 2012/13 being the last year before the local resource review is implemented by the Government there are many uncertainties. The risk assessment set out in appendix 7 explains in more detail the uncertainties facing the budget.

## **6 REPORT OF THE CHIEF FINANCE (SECTION 151) OFFICER UNDER SECTION 25 OF THE LOCAL GOVERNMENT ACT 2003**

6.1 Section 25 of the Local Government Act 2003 requires the Chief Finance (Section 151) Officer of a local authority to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. This report has to be considered by Cabinet and full Council as part of the budget approval and council tax setting process. The budget reports on this agenda are focused on the general fund 2012/13 and capital programme. It also considers key medium term issues faced by the council.

### ***Robustness of Estimates***

6.2 There is inevitably an element of judgement as budget estimates of spending and income are made at a point in time and may change as circumstances change. This statement about the robustness of estimates cannot give a 100% guarantee about the budget but gives the council reasonable assurance that the budget has been based on the best information and assumptions available at the time.

6.3 In setting the budget for 2012/13, current expenditure trends and service demands have been considered by Delivery Unit Heads and Lead Commissioners. The budget for 2012/13 has therefore been set on the

basis of the trends in the TBM 9 report and further projections of future demand and cost. The current cost and activity trends on the key corporate critical budgets are in general favourable. The child agency placements budget and the adults community care budget are rigorously monitored and actions to manage demand and cost more effectively through the VFM programme continue to have a positive impact.

- 6.4 The Council has demonstrated its ability to deliver a very challenging savings programme in 2011/12 and this led to a lower than previously assumed recurrent risk provision. The successful VFM programme has been underpinned by substantial investment particularly in project management capacity to underpin its delivery and ensure a particular focus on tracking cashable savings. For this reason there is additional one off investment included in this budget package for the implementation of VFM the next two years. Without this investment it is considered that the planned level of VFM savings will not be achievable.
- 6.5 A recurrent risk provision of £1m is included in the budget to guard against any risks not known at budget setting time including risks associated with the successful implementation of the wide ranging savings package. There is also £1m of one-off risk provision available.

#### ***Adequacy of Reserves***

- 6.6 The recommendation on the prudent level of general fund working balance has been based on the robustness of estimates information and a risk assessment of the budget.
- 6.7 The analysis indicates a continuation of an underlying prudent level of working balance of £9m (excluding school balances). This represents 3.9% of the council's net revenue budget excluding schools.
- 6.8 The level of working balance is currently at this target as set by the council in the MTFS of £9m. When further details are available on the reforms to local government finance it may be necessary to consider increasing this further from 2013/14 in the light of a transfer of risk from central to local government in relation to business rate retention and council tax support.
- 6.9 All reserves have been reviewed in detail to ensure that they are set at an appropriate level. This is set out in appendix 5. Many of the Council's earmarked reserves fulfil a specific legal or financial requirement, for example the insurance reserve. Significant reductions in the levels of the reserves for the Waste PFI and Single Status were made in 2011/12 and no further changes are considered prudent at this time.

#### ***Assurance Statement of the Council's Section 151 Officer***

- 6.10 In relation to the 2012/13 general fund revenue budget the Section 151 officer has examined the budget proposals and believes that, whilst the spending and service delivery proposals are challenging, they are nevertheless achievable given political and management will to implement the changes, good management, and the sound monitoring of performance and budgets. The track record of the council in successfully delivering a larger saving package in 2011/12 also provides assurance.

- 6.11 In terms of the adequacy of reserves the Section 151 officer considers a working balance of £9m to be adequate taking into account other reserves, the risk provisions and the council's track record in budget management.

## **7. CONSULTATION**

- 7.1 A wide variety of approaches has been used to consult and engage with a range of stakeholders including:
- A well publicised online budget simulator available on the council's website, intranet and accessible with support through the library network and which a representative sample of 3,000 citizens were written to and invited to complete;
  - A series of three budget roundtable events over the course of the year including representatives of all political parties, trades unions and the Community & Voluntary Sector Forum;
  - A star chamber process to consider options where representatives of all political parties attended;
  - A meeting with representatives of business ratepayers;
  - A meeting with the Older People's Council;
  - Three budget workshops in different communities in the city using a deliberative approach to consultation;
  - Consultation with council tenants at the City Assembly;
  - Information in City News inviting comment and feedback;
  - Staff consultation meetings.
- 7.2 Where formal or written feedback has been received, this is been collated and copies are available in the members' rooms and online. Following the consultation a number of changes have been made to the proposals, these are summarised in Appendix 2. Feedback from scrutiny and on the equalities impact assessment process is discussed elsewhere in this report.

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

### Financial Implications:

- 8.1 These are contained in the main body of the report.

*Finance Officer Consulted: Mark Ireland Date: 30<sup>th</sup> January 2012*

### Legal Implications:

- 8.2 Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, the preparation, for submission to the council for their consideration, of estimates of the amounts to be aggregated in making the calculation as to the budget requirement and the basic amount of council tax is the responsibility of the Cabinet. The approval and adoption of the budget based on the Cabinet's proposals are the preserve of Full Council. These statutory requirements are reflected in Part 4.4 of the council's constitution ('Budget and Policy Framework Procedure Rules').

*Lawyer Consulted: Oliver Dixon*

*Date: 30<sup>th</sup> January 2012*

#### Equalities Implications:

- 8.3 The process for assessing the equalities implications of the budget changes for 2012/13, the consultation and an assessment of the cumulative impact is shown in appendix 12. Paragraph 3.45 describes changes made to the savings proposals in the light of the thorough approach to EIA. All screening documents are available on line and in the Members rooms.

#### Sustainability Implications:

- 8.4 A carbon budget has been produced for the first time as set out in appendix 14. This shows the current level of spend on energy and the estimated carbon emissions across each service area. It includes a planned 4% reduction in 2012/13. This modest target will be challenging to meet on the basis of the current approach to carbon management.
- 8.5 To make more significant savings in carbon emissions a more radical and longer term approach is required. There will therefore be a clear focus placed on reducing carbon emissions from buildings through the acceleration of the workstyles programme, reducing both the total number of buildings occupied by the council and also ensuring improved energy efficiency in the ones retained. In addition there will be long term investment in more energy efficient street lighting funded through the Local Transport Plan.
- 8.6 The budget proposals include additional investment of £0.15m in sustainability initiatives in support of the One Planet Living approach. They also include a proposal to deliver investment in the private sector housing stock to improve both decency standards and energy efficiency.

#### Crime & Disorder Implications:

- 8.7 The proposed changes in the community safety service provision are not expected to have significant adverse consequences on crime and disorder. The funding allocated for service pressures includes an element to replace some lost specific grant funding for community safety

#### Risk & Opportunity Management Implications:

- 8.8 There are considerable risks to the council's short and medium term budget strategy including the impact of the national economic position, spending exceeding budgets particularly through increase for demand-led services, further reductions in grant, and major changes to local government finance. The budget process includes the recognition of these risks in determining the 2012/13 budget and relevant risk provisions are set out in the body of the report. A risk and opportunity matrix for the medium term financial strategy is included as appendix 7.

#### Corporate / Citywide Implications:

- 8.9 The report is relevant to the whole of the city.

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

- 9.1 The budget process allows all parties to put forward viable alternative budget and council tax proposals to Budget Council on 23 February. Budget Council has the opportunity to debate both the proposals put forward by Cabinet at the same time as any viable alternative proposals. All budget amendments must have been “signed off” by finance officers no later than 12 noon on Monday 20 February.

## **10. REASONS FOR REPORT RECOMMENDATIONS**

- 10.1 The council is under a statutory duty to set its council tax and budget by 11 March each year. The recommendations to Budget Council contained within this report together with the recommendations to follow in the supplementary report to full Council, will enable the council to meet its statutory duty.



## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Movements in Block Allocations 2011/12 to 2012/13 and 2012/13 to 2013/14
2. Changes in the budget projections since the 8<sup>th</sup> December 2011 Budget report to Cabinet
3. Commitments
4. Summary of special and specific grant allocations for 2011/12 and 2012/13
5. Review of the Council's reserves including the planned use of reserves
6. Summary of Medium Term Financial Strategy 2012/13 to 2014/15
7. Assessment of risks
8. Minimum Revenue Provision statements
9. Prudential Indicators 2012/13 to 2014/15
10. Budget Savings Package
11. Value for Money
12. Equalities Impact Assessment - Corporate Overview
13. Budget Scrutiny Panel Report endorsed by Overview & Scrutiny Committee on 31 January 2012.
14. Carbon Budgets

### **Documents in Members' Rooms / Councils Website**

1. Detailed Budget Consultation outcome.
2. Individual Equality Impact Assessments for savings proposals.

### **Background Documents**

1. Files held within Finance.



**2012/13 BUDGET - Budget changes from 2011/12 to 2012/13**

**APPENDIX 1**

	2011/12 Revised Base £'000	Changes in function / funding £'000	Internal Transfers £'000	Reverse one-off allocations £'000	2011/12 Adjusted Base £'000	FYE of 2011/12 Savings £'000	Inflation £'000	Service Pressures	Commitments and reinvestment £'000	Savings from Income £'000	VFM & Other Savings £'000	2012/13 Original Budget £'000	Increase over adjusted base £'000	Increase over adjusted base %
Commissioner - Children, Youth & Families	17,249	0	444		17,693	-187	294	1,635	7	0	-311	19,131	1,438	8.1
Commissioner - Learning and Partnerships	6,765	-409	-414	-30	5,912	-199	11	412	13	0	-1,053	5,096	-816	-13.8
Delivery Unit Children & Families	39,405	0	-489	-287	38,629	-664	291	636	432		-1,307	38,017	-612	-1.6
Delivery Unit City Services	13,649	0	-66	-340	13,243	-388	30	31	182	-275	-581	12,242	-1,001	-7.6
Commissioner - People	2,723	0	-143		2,580	-112	8	2	7		-440	2,045	-535	-20.7
Delivery Unit Adults Assessment	62,511	0	-107		62,404	-293	1,052	2,504	18		-2,100	63,585	1,181	1.9
Delivery Unit Adults Provider	14,352	0	-175	-180	13,997	-280	-55	34	225		-661	13,260	-737	-5.3
Commissioner - Communities & Equalities	3,405	0	3	-415	2,993	-13	59	0	101		-215	2,925	-68	-2.3
Commissioner - City Regulation & Infrastructure	3,270	-110	-7		3,153	-110	35	110	140		-330	2,998	-155	-4.9
Delivery Unit City Infrastructure	24,993	0	-282	-40	24,671	-276	156	171	119	-1,356	-2,291	21,194	-3,477	-14.1
Delivery Unit Planning & Public Protection	5,647	0	-71	-40	5,536	-301	-40	50	123	-50	-384	4,934	-602	-10.9
Community Safety	2,141	0	-27		2,114	-26	10	200	5		-171	2,132	18	0.9
Delivery Unit Housing & Social Inclusion	301	0	-2		299	0	2	200	1		0	502	203	67.9
Commissioner - Housing	16,484	0	-44		16,440	-138	178	12	20	-230	-959	15,323	-1,117	-6.8
Commissioner - Sports & Leisure	1,389	0	-2		1,387	-7	24	2	1		-140	1,267	-120	-8.7
Commissioner - Culture	1,823	0	29		1,852	-23	30	0	1		0	1,860	8	0.4
Delivery Unit Tourism & Leisure	3,746	0	-42		3,704	-231	-90	201	20	-250	-158	3,196	-508	-13.7
Resources & SLB	19,625	0	127		19,752	-632	75	784	237	-10	-955	19,251	-501	-2.5
Finance	5,525	0	9		5,534	-195	1	0	38	-120	-85	5,173	-361	-6.5
<b>Total Directorate Spending</b>	<b>245,003</b>	<b>-519</b>	<b>-1,259</b>	<b>-1,332</b>	<b>241,893</b>	<b>-4,075</b>	<b>2,071</b>	<b>6,984</b>	<b>1,690</b>	<b>-2,291</b>	<b>-12,141</b>	<b>234,131</b>	<b>-7,762</b>	<b>-3.21</b>
Concessionary Fares	9,660	0	0		9,660		193	0	243		-400	9,696	36	
Insurance	3,009	0	0		3,009		60	250	100		0	3,419	410	
Financing Costs	10,427	0	402		10,829		0		-1,365		-470	8,994	-1,835	
Corporate VFM Savings	-3,634	0	1,755		-1,879	375	0		1,250		-350	-604	1,275	
Contingency and Risk Provisions	5,270	0	-1,378	-1,200	2,692		756	160	1,301		0	4,909	2,217	
Unringfenced grants income	-29,874	2,995	149		-26,730		249		-977		0	-27,458	-728	
Levies to External Bodies	166	0	0		166		4		-2		0	168	2	
Other Corporate Budgets	-2,743	0	331		-2,412		-96	0	255		0	-2,253	159	
SAVINGSGAP	0	0	0		0		0	0	0		0	0	0	
<b>NET REVENUE EXPENDITURE</b>	<b>237,284</b>	<b>2,476</b>	<b>0</b>	<b>-2,532</b>	<b>237,228</b>	<b>-3,700</b>	<b>2,988</b>	<b>7,643</b>	<b>2,495</b>	<b>-2,291</b>	<b>-13,361</b>	<b>231,002</b>	<b>-6,226</b>	
Contributions to/ from - Fees etc	-5,063	0	0	2,532	-2,531	3,200		-4,539				-3,870	-1,339	
<b>BUDGET REQUIREMENT</b>	<b>232,221</b>	<b>2,476</b>	<b>0</b>	<b>0</b>	<b>234,697</b>	<b>-500</b>	<b>2,988</b>	<b>7,643</b>	<b>-2,044</b>	<b>-2,291</b>	<b>-13,361</b>	<b>227,132</b>	<b>-7,565</b>	
<b>Funded by</b>														
Formula Grant	112,413	2,476			114,889							104,372	-10,517	
Collection Fund surplus(deficit)	0				0							-851	-851	
Council Tax	119,808				119,808							123,611	3,803	
<b>Total</b>	<b>232,221</b>	<b>2,476</b>			<b>234,697</b>				<b>227,132</b>			<b>227,132</b>	<b>-7,565</b>	

**2013/14 BUDGET - Budget changes from 2012/13 to 2013/14**

	2012/13 Original Budget £'000	Changes in function/ funding £'000	Internal Transfers £'000	Reverse one-off allocations £'000	2012/13 Adjusted Base £'000	FYE of 2012/13 Savings £'000	Inflation £'000	Service Pressures	Commitments and reinvestment £'000	VM & Other Savings £'000	2013/14 Original Budget £'000	Increase over adjusted base £'000	Increase over adjusted base %
Commissioner - Childrens Youth & Families	19,131	0	0	0	19,131	0	383	0	0	-1,577	17,937	-1,194	-6.2
Commissioner - Learning and Partnerships	5,096	0	-69	0	5,027	0	102	0	0	-81	5,048	21	0.4
Delivery Unit Childrens & Families	38,017	0	0	0	38,017	0	760	0	0	-851	37,926	-91	-0.2
Delivery Unit City Services	12,242	0	0	-22	12,220	0	244	0	0	-683	11,781	-439	-3.6
Commissioner - People	2,045	0	0	0	2,045	-50	41	0	0	-300	1,736	-309	-15.1
Delivery Unit Adults Assessment	63,585	0	0	0	63,585	-137	1,272	0	0	-4,034	60,686	-2,899	-4.6
Delivery Unit Adults Provider	13,260	0	0	0	13,260	-104	265	0	0	-1,115	12,306	-954	-7.2
Commissioner - Communities & Equalities	2,925	0	0	0	2,925	0	59	0	0	-30	2,954	29	1.0
Commissioner - City Regulation & Infrastructure	2,998	0	0	-29	2,969	-47	60	0	0	0	2,982	13	0.4
Delivery Unit City Infrastructure	21,194	0	0	-25	21,169	-82	424	0	0	-227	21,284	115	0.5
Delivery Unit Planning & Public Protection	4,934	0	0	-100	4,834	-127	99	0	0	0	4,806	-28	-0.6
Community Safety	2,132	0	0	0	2,132	0	43	0	0	0	2,175	43	2.0
Delivery Unit Housing & Social Inclusion	502	0	0	0	502	0	10	0	0	0	512	10	2.0
Commissioner - Housing	15,323	0	0	0	15,323	0	306	0	0	-913	14,716	-607	-4.0
Commissioner - Sports & Leisure	1,267	0	0	0	1,267	0	25	0	0	-30	1,262	-5	-0.4
Commissioner - Culture	1,860	0	0	0	1,860	0	37	0	0	0	1,897	37	2.0
Delivery Unit Tourism & Leisure	3,196	0	0	0	3,196	-118	64	0	0	-295	2,847	-349	-10.9
Resources & SLB	19,251	0	-10	-135	19,106	0	385	0	0	-1,146	18,345	-761	-4.0
Finance	5,173	0	10	0	5,183	0	103	0	0	-195	5,091	-92	-1.8
<b>Total Directorate Spending</b>	<b>234,131</b>	<b>0</b>	<b>-69</b>	<b>-311</b>	<b>233,751</b>	<b>-665</b>	<b>4,682</b>	<b>0</b>	<b>0</b>	<b>-11,477</b>	<b>226,291</b>	<b>-7,460</b>	<b>-3.19</b>
Concessionary Fees	9,696	0	0	0	9,696	0	194	0	304	-150	10,044	348	
Insurance	3,419	0	0	0	3,419	0	68	0	0	0	3,487	68	
Financing Costs	8,994	0	0	0	8,994	0	0	0	-33	0	8,961	-33	
Corporate VM and Council Tax Benefit savings	-604	0	0	0	-604	-50	-12	2,600	0	-2,600	-666	-62	
Contingency and Risk Provisions	4,909	0	0	0	4,909	0	98	100	-1,091	0	4,016	-893	
Unringfenced grants income	-27,458	0	69	0	-27,389	0	451	451	0	0	-26,938	451	
Levies to External Bodies	168	0	0	0	168	0	4	0	0	0	172	4	
Unallocated Service pressure funding	0	0	0	0	0	0	0	7,500	88	0	7,500	7,500	
Other Corporate Budgets	-2,253	0	0	0	-2,253	0	-45	0	0	0	-2,210	43	
SAVINGS GAP	0	0	0	0	0	0	0	0	0	-1,521	-1,521	-1,521	
<b>NET REVENUE EXPENDITURE</b>	<b>231,002</b>	<b>0</b>	<b>0</b>	<b>-311</b>	<b>230,691</b>	<b>-715</b>	<b>4,989</b>	<b>10,651</b>	<b>-732</b>	<b>-15,748</b>	<b>229,136</b>	<b>-1,555</b>	
Contributions/ from(-) reserves	-3,870	0	0	311	-3,559	715	0	0	1,516	0	-1,328	2,231	
<b>BUDGET REQUIREMENT</b>	<b>227,132</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>227,132</b>	<b>0</b>	<b>4,989</b>	<b>10,651</b>	<b>784</b>	<b>-15,748</b>	<b>227,808</b>	<b>676</b>	
<b>Funded by</b>													
Formula Grant	104,372	0	0	0	104,372	0	0	0	0	0	100,027	-4,345	
Collection Fund surplus/ (deficit)	-851	0	0	0	-851	0	0	0	0	0	0	851	
Council Tax	123,611	0	0	0	123,611	0	0	0	0	0	127,781	4,170	
<b>Total</b>	<b>227,132</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>227,132</b>	<b>0</b>	<b>4,989</b>	<b>10,651</b>	<b>784</b>	<b>-15,748</b>	<b>227,808</b>	<b>676</b>	

APPENDIX 2

**Budget Changes since December Cabinet Report**

	Budget	Reserves (One-off resources)	Budget
	2012/13	2012/13	2013/14
	£'000	£'000	£'000
Budget Gap as at 8th Dec 2011	-299	-369	-2,067
<b>New Resources:</b>			
Improved Tax Base	242		
New Homes Bonus	425		
Reduce recurrent risk provision from £1.5m to £1m	500		
Reduction in service pressure funding for energy costs	110		
Reduction in service pressure funding for PCN	50		
Increased underspend in 2011/12 as per TBM9		2,895	
Reduction in Collection Fund deficit		256	
Outcome of review of reserves and provisions		50	
Revised estimate of projected resources from the localisation of business rates.			724
<b>Balance</b>	<b>1,028</b>	<b>2,832</b>	<b>-1,343</b>
Less:			
NNDR pressure on council properties	-125		
Reduction in support service recharges to the HRA and schools	-110		
Reduction in financing costs saving	-30		
<b>Balance available</b>	<b>763</b>	<b>2,832</b>	<b>-1,343</b>
<b>Administrations revised proposals:</b>			
New homes Bonus - allocation for new initiatives	-200		
Remove 12/13 Music Service saving & reduce 2013/14 saving by 50%	-107		-53
Reduce supported bus routes saving	-100	42	
Reduce toilets saving	-25		
Reduce saving from parking permits to traders/business	-100		
Reduce saving on signing & lining	-30		
Reduce savings in City Clean relating to refuse collection and recycling	-200		
Shopmobility - one-off resources equivalent to the saving (£29k) to support the transition of the service.		-29	
Adjust VFM saving in senior management to show a lead in time		-50	
One off resources to help City in Bloom transition to independent status		-25	

	Budget 2012/13 £'000	Reserves (One-off resources) 2012/13 £'000	Budget 2013/14 £'000
One off resources to support new arrangements for providing audio books to the visually impaired		-22	
One off resources to allow phasing of new pricing structure for allotment holders.		-31	
One off resources to support the introduction of a local Council Tax Benefit Scheme		-750	
One-off funding to cover the full year effect of 2013/14 savings		-750	
Additional resources for Workstyles/Access		-1,217	
Remove saving relating to small grants programme			-55
Reduce saving on Children's Centres down to £500k			-142
Remove saving on Youth Employability Service for 2013/14			-120
Remove permanent funding for Food Waste Trial			500
Reduce supporting people saving			-308
Additional VFM saving in Senior Management			250
Recurrent resources for the new Council Tax Benefit Scheme			-250
rounding	-1		
<b>Balance</b>	<b>0</b>	<b>0</b>	<b>-1,521</b>

## APPENDIX 3

### Commitments and Reinvestment included within the 2012/13 Budget

	£'m
<b>Commitments – reductions in 2012/13 budget</b>	
• Changes in the financing costs budget explained in paragraphs 3.68 to 3.70 of the report	-1.40
• Removal of one-off expenditure items in the 2011/12 budget	-1.30
• Increased grants including funding for new responsibilities and New Homes Bonus	-1.00
• Reductions in the pay and risk provisions	-0.95
• Other changes	-0.18
<b>Commitments – increases in 2012/13 Budget</b>	
• Increases in employer pension contributions in line with the 2011 triennial review of the pension scheme.	0.40
• New responsibilities for the education for 2 year olds and as a Lead Local Flood Authority	0.40
• Impact of previous Cabinet decisions including the reversal of 2011/12 savings for Castleham Industries, Brightstart Nursery and Cityclean round changes, and the transfer of the management of the agricultural estates.	0.40
• Reduced recharges to schools and the HRA following savings in support service budgets.	0.25
• Provision for anticipated increases in concessionary fares budget following amendments to reimbursement scheme	0.25
<b>Total Commitments</b>	<b>-3.10</b>
Reinvestment included in paragraph 3.35 in the report	1.13
<b>Total Commitments and Reinvestment</b>	<b>-2.00</b>





## APPENDIX 4

### Summary of specific and special grant allocations for 2011/12 and 2012/13

	2011/12 £m	2012/13 £m
Early Intervention Grant	10.707	11.129
Housing Benefit and Council Tax Benefit Admin	3.258	2.998
Preventing Homelessness	1.300	1.300
Learning Disabilities and Health Reform Grant	6.564	6.725
Lead Local Flood Authorities	0.141	0.249
New Homes Bonus (for 6 years starting in 2011/12)	0.596	0.596
New Homes Bonus (for 6 years starting in 2012/13)	0	Provisional 0.425
Community Safety Grant (Home Office)	0.283	Provisional 0.143
Drug Intervention Programme	0.280	Not yet known
Asylum Seekers	Based on claims	Based on claims
Renaissance in the Regions	1.119	See Note 1
Music Grant (Department for Education)	0.385	0.347
Extended Rights to Free Transport (Department for Education)	0.213	0.264
Schools PFI	2.390	2.390
Libraries PFI	1.505	1.505
Waste PFI	1.498	1.498
Council Tax Benefit payment transfer grant	Based on claims	Based on claims
Housing Benefit payment transfer grant	Based on claims	Based on claims
Dedicated Schools Grant (exact amount depends on pupil numbers)	148.355	Provisional 147.544
Pupil Premium (exact amount depends on number of eligible pupils)	2.280	Provisional 3.948
Young People's Learning Agency (Sixth Form funding)	Provisional 5.439	Announcement due end of March
Health Authority – Milk for under 5s	Based on claims	Based on claims
Training & Development Agency – Golden Hello	Based on claims	Based on claims

**Note 1:** We have been successful in our bid for Renaissance in the Regions funding for three years from 2012/13. We sought £2.8m funding but the actual allocation is still subject to negotiation.



## Review of Reserves

### *Adequacy of Reserves – working balance*

Putting in place appropriate levels of reserves is essential to provide the council with a safety net for risks, unforeseen or other circumstances. The working balance must last the lifetime of the council unless contributions are made from future years' revenue budgets. The minimum level of balances cannot be judged merely against the current risks facing the council as these can and will change over time. This is critical given the volatility and unpredictable nature of the financial environment within which the budget and MTFs are being set.

Determining the appropriate levels of reserves is not a precise science or a formula but must be a professional judgement based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions, and the council's track record in budget management.

The consequences of not keeping a minimum prudent level of balances can be serious. In the event of a major problem or a series of events, the council would run a serious risk of a deficit or of being forced to cut spending during the year in a damaging and arbitrary way.

The recommendation on the prudent level of balances has been based on the robustness of estimates information and the Corporate Risk Register. In addition, the other strategic, operational and financial risks taken into account when recommending the minimum level of the working balance include:

- There is always some degree of uncertainty over whether the full effects of any economy measures and/or service changes will be achieved. Commissioners have been advised to be realistic in their assumptions and that those assumptions, particularly in respect of demand-led budgets, should hold true in changing circumstances.
- The Bellwin Scheme for Emergency Financial Assistance to Local Authorities provides assistance in the event of an emergency. The Local Authority is able to claim assistance with the cost of dealing with an emergency over and above a threshold set by the Government.
- Risks of rising demand and falling income given economic conditions.
- The risk of major legal challenge, both current and in the future.
- Risks in the financial inter-relationship between NHS partners and the council.
- Major and unforeseeable volume increases, for example due to new legal requirements, in demand led budgets, particularly in children's services.

- The need to retain a general contingency to provide for some measure of unforeseen circumstances which may arise.
- The need to retain reserves for general day-to-day cash flow needs.

The potential financial sensitivity of the budget and financial risks has been analysed. In addition, the cash flow risk for unitary authorities is significant given the full range of services provided. £9.0m represents about 4 weeks of council tax revenue. The working balance would help cover any costs arising from delays in council tax billing. This could arise, for example, from a systems failure.

It is likely that an increase in the level of the working balance will be required in 2013/14 due to the significant change in the council's risk profile arising from the localisation of council tax support and the reforms to local government finance/business rates retention.

### ***Schools' Balances***

Schools' balances, while consolidated into the Council's overall accounts, are a matter for Governing Bodies. Nevertheless, under the council's Scheme for Financing Schools the council has a duty to scrutinise whether any school holds surplus balances. The council's Scheme for Financing Schools is in line with the requirements of the Secretary of State for Children, Schools and Families and the arrangements in place are considered adequate.

### ***Estimated Earmarked General Fund Revenue Reserves***

Processes are in place to regularly review the council's earmarked revenue reserves. Details of the review of reserves are included in the table below.

Description	Forecast Balance at 1 April 2012 £'000	Planned usage in 2012/13 £'000	Forecast Balance at 31 March 2013 £'000	Review Arrangements	Conclusions
<b>General Fund Reserves</b>					
General Fund Working Balance	9,000	0	9,000	Reviewed against register of financial risks, taking into account CIPFA guidelines and requirements of Local Government Act 2003.	To meet CIPFA guideline a minimum unallocated reserve of £9.000m is required.
General Fund General Reserves	5,327	-4,152	1,175	Following closure of accounts and TBM monthly monitoring.	The balance of £1.175m is committed to fund the full year effect of 2013/14 savings, years 2 and 3 of the 3 year youth grants programme and year 2 of support for transformation
Capital Reserves	2,364	-2,364	0	Following closure of accounts.	Committed to fund capital programme.
Library PFI Reserve	264	-9	255	Following closure of accounts.	Use for funding the project over the life time of the PFI.
Schools PFI Project Reserve	1,738	-35	1,703	Following closure of accounts.	Use for funding the project over the life time of the PFI.
Waste PFI Project Reserve	7,087	1,145	8,232	Following closure of accounts.	Use for funding the project over the life time of the PFI.
Contribution to Single Status Reserve	5,933	0	5,933	Following closure of accounts.	Earmarked for equal pay and one off costs. Reserve will be further increased by transfer of savings from strike pay deductions and potential release from the single status provision.
Finance Costs Reserve	347	252	599	Following closure of accounts.	The reserve is being held to smooth the fluctuations in the financing costs budget over the next three years. This will cover the continuing reduction in investment income and changes as a result of the impact of HRA self financing.

<b>Description</b>	<b>Forecast Balance at 1 April 2012 £'000</b>	<b>Planned usage in 2012/13 £'000</b>	<b>Forecast Balance at 31 March 2013 £'000</b>	<b>Review Arrangements</b>	<b>Conclusions</b>
Building Schools for the Future	1,100	-1,100	0	Following closure of accounts.	£1.100m of reserve committed to the 2012/13 capital programme including new pupil places.
Brighton Centre Redevelopment Reserve	3,632	-715	2,917	Following closure of accounts.	Retain to support the development. £0.515m is being temporarily drawn from this reserve during 2012/13 to support the capital programme should cashflows require this. This will be replaced when planned capital receipts are generated in 2013/14. The remaining £0.200m is being used to support the Brighton Centre redevelopment proposals. The MTFS includes a planned contribution to the reserve of £1.100m during 2013/14.
Customer Access & Accommodation Strategy (workstyles)	2,917	-1,700	1,217	Following closure of accounts.	£1.700m planned to be used in 2012/13 to support Workstyles Phase II project. Remaining £1.217m held to support Workstyles phase 3 and customer access initiatives
Automatic Meter Readers (AMR)	207	-207	0	Following closure of accounts.	Planned to be used in 2012/13.
Museum Objects Acquisitions Reserve	90	0	90	Following closure of accounts.	Retain for specified purpose.
Pavilion Renewals Fund	39	0	39	Following closure of accounts.	Used to support maintenance and improvements to the Royal Pavilion during 2012/13
Jack Thompson - Hove Museum	269	0	269	Following closure of accounts.	Reserve for acquisitions/refurbishment at Hove Museum in accordance with bequest.

<b>Description</b>	<b>Forecast Balance at 1 April 2012</b>	<b>Planned usage in 2012/13</b>	<b>Forecast Balance at 31 March 2013</b>	<b>Review Arrangements</b>	<b>Conclusions</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
Winter Maintenance	430	0	430	Following closure of accounts.	Held to fund exceptional costs of extreme weather.
Dome Planned Maintenance	208	0	208	Following closure of accounts.	Retain for specified purpose. Reserve held in accordance with lease agreement with Brighton Dome & Festival Society.
Connexions/Prospects Pensions Reserve	200	0	200	Actuarial pension valuation	Held to fund the net actuarial costs of pensions transferred to Prospect. Authority still awaiting a claim from the Pension Fund.
Vehicles Reserve Fund - Animal Welfare Vehicles	31	-31	0	Following closure of accounts.	Expected to be used in 2012/13 for specified purpose.
James Green Foundation	142	0	142	Following closure of accounts.	This reserve was set up from a donation by Colonel James Green in 1993. The James Green reserve is used to help fund the Burmese collection.
Bton & Hove Natural History	5	0	5	Following closure of accounts.	Reserve for maintaining the assets of Brighton & Hove Natural History Society which are held at the Booth Museum.
Brunschwig Royalties	26	0	26	Following closure of accounts.	This reserve was set up from the royalties paid by Brunschwig, an American firm who have used the pavilion motif on wallpaper and fabrics they produce. It is used to fund conservation projects in the Royal Pavilion.
Sustainable Transport - Car Parks Refurbishment Reserve	299	-299	0	Following closure of accounts.	To be used to fund the Car Park Improvements Phase II, as detailed in the report to Cabinet 22/09/11.
Carry Forward - LPSA	207	-207	0	Following closure of accounts.	Held to fund allocations which are determined by the Public Services Board. It is expected that some of this will be used for the Troubled Families Initiative

<b>Description</b>	<b>Forecast Balance at 1 April 2012 £'000</b>	<b>Planned usage in 2012/13 £'000</b>	<b>Forecast Balance at 31 March 2013 £'000</b>	<b>Review Arrangements</b>	<b>Conclusions</b>
Sustainable Temporary Accommodation Reserve	244	0	244	Following closure of accounts.	Held for dilapidation costs for leased temporary accommodation.
HMO Licensing Fees Reserve	0	200	200	Following closure of accounts.	Retain to support annual inspections of HMO premises.
Damage Deposit Guarantee Scheme	155	0	155	Following closure of accounts.	Retain to guarantee deposits for supporting people service users moving into the private rented accommodation.
Mercury Abatement Reserve	422	-422	0	Following closure of accounts.	Earmarked for works required to the crematorium to meet mercury abatement legislation.
Adult Services Vehicle Reserve	50	-50	0	Following closure of accounts.	Expected to be used in 2012/13 as more vehicles are expected to be replaced.
LATS Reserve	45	0	45	Following closure of accounts.	This represents the value of unused landfill allowances carried forward to be used for landfilling biodegradable municipal waste.
Restructure Redundancy Reserve	3,788	0	3,788	Following closure of accounts.	This reserve is held to spread the costs of early retirements and redundancies. There is a planned transfer of £0.700m to this reserve to support the delivery of the savings in the 2012/13 budget.
Insurance Reserve General	6,156	0	6,156	The insurance fund is subject to a bi-annual health check by the actuaries. The next health check is due to report back in 2013.	The Insurance Fund biennial health-check was completed in June 2011 and the level of fund recommended is in line with that currently held.



<b>Description</b>	<b>Forecast Balance at 1 April 2012</b>	<b>Planned usage in 2012/13</b>	<b>Forecast Balance at 31 March 2013</b>	<b>Review Arrangements</b>	<b>Conclusions</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
Insurance Reserve Risk Management	61	0	61	Following closure of accounts.	Earmarked for specific risk management projects during 2012/13. £0.050m of reserve released in 2011/12.
Investment Properties (Dilapidations)	51	-22	29	Following closure of accounts.	Retain for specified purpose.
Schools LMS Balances	3,879	0	3,879	Following closure of accounts.	Reserves held on behalf of individual schools for use by the schools.
Portslade Community College	60	0	60	Following closure of accounts.	Use at the discretion of the College.
Transition fund for Council Tax Benefit	750	0	750	Following closure of accounts	Fund will be used to support the introduction of the local Council Tax Benefit scheme commencing 1/4/2013
<b>General Fund Provisions</b>					
Single Status Liability Provision	140	0	140	Following closure of accounts.	Any unused single status liability provision will be transferred to the single status reserve.
Adult Social Care Long Term Capacity Reserve	753	0	753	Following closure of accounts.	Reserve to be held to invest in additional capacity to manage demographic pressures in the over 85 year old group of service users.
Cemetery Replacement	96	0	96	Following closure of accounts.	Retained for maintenance & replacement as required.
Cemetery Maint of Graves in Perpetuity	86	0	86	Following closure of accounts.	Retained for maintenance & replacement as required.
Cemetery Maint of Monuments	17	0	17	Following closure of accounts.	Retain for maintenance & replacement as required.
Modern Records Units X & Z - Dilapidations Provision	173	-173	0	Following closure of accounts.	The dilapidations agreement is expected to be settled during 2012/13
Priory House Dilapidations Provision	493	-493	0	Following closure of accounts.	Priory House was vacated in 2011/12. The dilapidations agreement is expected to be settled during 2012/13

<b>Description</b>	<b>Forecast Balance at 1 April 2012 £'000</b>	<b>Planned usage in 2012/13 £'000</b>	<b>Forecast Balance at 31 March 2013 £'000</b>	<b>Review Arrangements</b>	<b>Conclusions</b>
Land Charges Provision	339	0	339	Following closure of accounts.	The court case is yet to be resolved which will determine any liability and until this has been heard it is not proposed to revise this provision.
<b><i>HRA Reserves</i></b>					
HRA Working Balance	5,260	-2,010	3,250	Following closure of accounts.	Working balance in line with CIPFA guidance. Any residual balance can only be used to support the HRA.
HRA Capital Reserves	2,952	-2,952	0	Following closure of accounts.	Committed to fund capital programme.
Estate Development Budget (EDB) Reserves	146	-146	0	Following closure of accounts.	Retain for estates development. Anticipated to be used in 2012/13.
HRA Auto Meter Readers Reserve	348	-348	0	Following closure of accounts.	Retain for specified purpose. Planned to be used in 2012/13.
Restructure Redundancy Reserve	388	0	388	Following closure of accounts.	Retain for specified purpose.
	<b>68,715</b>	<b>-15,838</b>	<b>52,877</b>		

## APPENDIX 6

### Medium Term Financial Strategy (MTFS) 2012/13 to 2014/15 – Updates of resources and budget forecasts

A MTFS fully aligned to the priorities within the Corporate Plan was agreed by Cabinet in September 2011 and full council in October 2011. It will be updated when the Corporate Plan is refreshed later this year. This appendix contains revised resource and expenditure forecasts for the General Fund budget reflecting the latest information available on future resource levels and the budget proposals contained within the Budget report. Updated information on the resource and budget forecasts for both the HRA and the capital investment programme are included in their respective reports elsewhere on the agenda. An update on schools funding is included in the body of the Budget report.

#### Revised Budget & Resource Projections

Table 1 sets out the latest main assumptions that underpin the projections and table 2 sets out a summary of the General Fund projections. The projections show the movements in the budget requirement for the council which is the anticipated budget after the deduction of specific grants and fees and charges and is funded by formula grant and council tax in 2012/13 and by resources allocated under the business rates retention model and council tax in 2013/14 and beyond. Changes to the budget are described in the body of the report but further information on the changes to the resource forecasts as a result of the introduction of localised business rates is given after table 2.

It should be noted that nearly all the specific grants are unringfenced i.e. the council can decide how this money is spent in order to achieve the best service outcomes and therefore does not have to necessarily spend the money in the service area for which it was allocated.

<b>Table 1: Summary of MTFS assumptions</b>			
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Pay inflation and pay related matters	0.6%	2.0%	2.0%
General inflation	2.0%	2.0%	2.0%
Formula grant floor change	-9.4%	N/A	N/A
Business Rate changes		-0.5%	0.0%
Provision for successful business rating appeals		2.5%	2.5%
One-off provision for volatility in business rate income		2.5%	0.0%
Dedicated Schools grant per pupil	0.0%	0.0%	0.0%

<b>Table 1: Summary of MTFFS assumptions</b>			
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Other specific grants	0.0%*	0.0%	0.0%
Council Tax change	3.5%	3.5%	3.5%

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

<b>Table 2: Summary of General Fund budget projections</b>			
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget requirement brought forward	232,221	227,132	227,808
Function & Funding changes	2,476	-	-
Revised Budget requirement brought forward	234,697	227,132	227,808
Pay and Inflation	2,988	4,990	4,945
General Risk Provision	2,000	500	500
Commitments - impact of previous decisions	-2,037	-1,544	-214
Service pressures – General	6,715	7,500	7,500
Service pressures – Specific Grants	249	3,051	451
Service Pressures – Function & funding changes	519	-	-
Service pressures – Carbon Reduction Commitment	160	100	100
Full year effect of previous year savings	-3,700	-715	-750
Savings	-15,652	-15,748	-17,834
Sub-Total	225,939	225,266	222,506
Change in contribution to / from reserves *	1,193	2,542	851
<b>Budget Requirement</b>	<b>227,132</b>	<b>227,808</b>	<b>223,357</b>
<b>Funding</b>			
Formula Grant / Business Rate Retention	104,372	100,027	91,104
Council Tax	122,760	127,781	132,253
<b>Total</b>	<b>227,132</b>	<b>227,808</b>	<b>223,357</b>

\* Reserves have been used to support the 2012/13, 2013/14 and 2014/15 budgets to cover only one-off expenditure items and the part year effect of savings that will be implemented during the financial year rather than on the 1 April.

### **Formula grant and provisional resource projections under business rate retention model**

Whilst the Spending Review last year set out Government spending plan totals for 4 years the Government only announced a 2 year Local Government Finance Settlement covering 2011/12 and 2012/13. The 2012/13 figures were confirmed in early December 2011. The Government has reduced both settlements to reflect the impact on education services of the growing number of academies. In December in a response to an earlier consultation the Government changed the way these reductions will be calculated whilst ensuring the no local authority will be worse off. These changes may be beneficial to the council but this will not be known until January 2013 after pupil counts are completed.

Another 2 year settlement is likely to be announced in November or December 2012 for 2013/14 and 2014/15 taking into account changes resulting from proposals to localise business rates. Further proposals were announced by the Government just before Christmas 2011 and although there are still many uncertainties some initial resource modelling has now been completed. A brief summary of the proposals is given on the review later in this appendix.

The forecasts for 2013/14 and 2014/15 are based on the national figures for local authority funding in the spending review adjusted to reflect the further restraint on pay of 1% announced by the Chancellor in the 2011 Autumn Statement. The Chancellor also announced that public spending would continue to be reduced in 2015/16 and 2016/17 at the same rate as 2010 Spending Review. The resource projections make the following assumptions:

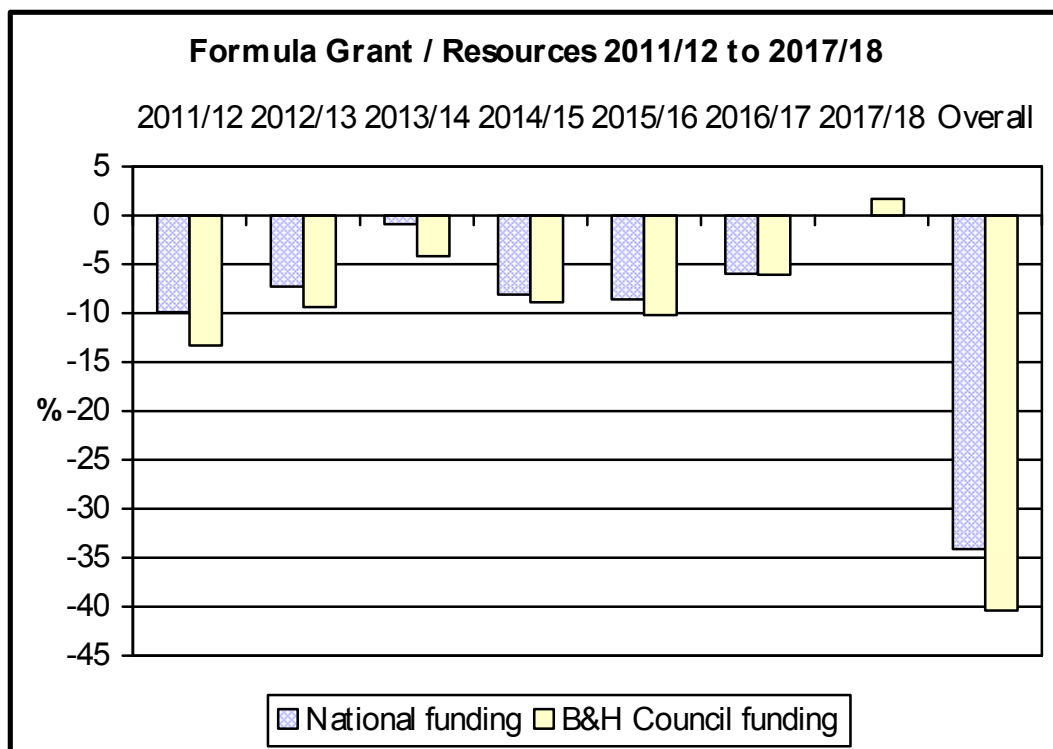
- Funding for local authorities reduces by 0.9% in 2013/14, 8.1% in 2014/15, 6% in both 2015/16 and 2016/17.
- The national totals have been top-sliced to provide ongoing funding for the New Homes Bonus.
- Funding for 2011/12 council tax freeze grant will end after this spending round in 2015/16.
- Business rate income will decline by 0.5% per annum in year 1, will be neutral in year 2 and will gradually increase after that.
- New risk provisions for successful business rates appeals and for the volatility in business rates income have been created.
- A baseline safety net has been assumed within the business rates retention model currently shows that safety net support would not be triggered.

The following chart compares the average national local authority funding changes set out in the Spending Review and further statements with the actual Formula Grant for 2011/12, the provisional

settlement for 2012/13 and the resource forecasts between 2013/14 and 2017/18 for the council.

Compared to earlier forecasts there is an improvement in resources for 2013/14 and 2014/15 of approximately £0.7m and £1.4m respectively. This increase is due to confirmation from the Government before Christmas that the starting point for the new system will include floor grant of £11m that the council would have lost over time under the formula grant. The benefits of retaining this income are partly offset by the additional risk provisions relating to business rate income that need to be set up under the new system.

Formula grant is expected to be £104.4 million for the council in 2012/13 a reduction of £10.5 million over the current year. Over the period funding for Brighton & Hove is forecast to fall in cash terms by approximately 40% or £52million.



**Local Government Resource Review – Latest proposals for business rate retention**

The Government published terms of reference for the review in March 2011 with the primary objectives being to give local authorities greater financial autonomy and strengthen incentives to support local economic growth. Currently there is no link between the business rates collected locally and the business rates funded proportion of Formula Grant. A consultation by the Department for Communities & Local Government finished in October 2011 which will allow councils to keep

some or all of their business rate income collected locally. The Government response to the consultation was published just before Christmas 2011 clarifying some of the potential options to implement the scheme. Councils will also get to keep some of the increases in local business rates over and above inflation but see reductions in their resources if business rates fall. Local authority areas with a very high level of business rateable value, a growing economy and increasing number of business premises have potentially most to gain from these proposals. The Government is committed to making this change and has an ambitious target of 1 April 2013 for the introduction of a new system.

Local government finance is extremely complicated and making changes of this fundamental nature is not easy and can create many unintended consequences. Officers are closely monitoring progress on the proposals and keeping the cross-party Members Budget Review Group informed of the latest developments. Whilst there remain many unanswered questions a forecasting model has been developed to make an initial assessment of the impact on the future resource position of the council as described earlier under the resources section. Any localisation of business rates will give the council significant new risks to manage as the income from business rates is quite volatile and provide some different financial incentives to take into account when the council is making decisions on business developments within the city. The council will need to explore which authorities might be willing to enter into business rates pooling arrangements with the council and the advantages and disadvantages of spreading the risks by pooling with different local authorities.



**ASSESSMENT OF RISKS**

The MTFS will always contain a significant degree of risk. The finance system within which the city council works is complex and sensitive to a range of variables. For 2013/14 in particular there is a very high level of uncertainty about the impact of reforms to local government finance. In general factors that can have a material effect on the financial position of an authority include:

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

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

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

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

Risk	Likelihood of occurrence (L)	Impact (I)	Risk (L) X (I)	Possible Impact on Financial Strategy	Mitigation / Management
<b>Potential Risks affecting 2012/13 onwards</b>					
Collection of council tax falls due to the difficult financial climate and failure to achieve higher target collection rates resulting in a deficit on the collection fund	3	3 0.1% reduction in council tax collection = £0.1m	9	Immediate impact on reserves Would require reductions in the budget for the following year to repay reserves	Close monitoring of the collection fund Implement appropriate collection strategies to minimise impact and review effectiveness of the Debt Prevention Team
Council tax base is lower than anticipated e.g. lower number of new properties / more student exempt properties / more discounts, resulting in a deficit on the collection fund	3	4 1% reduction in council tax base = £1.2m	12	Immediate impact on reserves Would require reductions in the budgets for the following year to repay reserves	Close monitoring of the collection fund and checking validity of exemptions and discounts particularly new property developments, student numbers and discounts Working with further education establishments to develop more dedicated student accommodation
Long term borrowing rates higher than anticipated	2	3 0.5% higher = £0.05m for each £10m	6	Would increase borrowing costs budget over the long-term	Closely monitor long term borrowing rates and future borrowing requirements to help identify the best time to

<b>Risk</b>	<b>Likelihood of occurrence (L)</b>	<b>Impact (I)</b>	<b>Risk (L) X (I)</b>	<b>Possible Impact on Financial Strategy</b>	<b>Mitigation / Management</b>
		borrowed		Would hinder business cases involving borrowing and make invest to save schemes less financially attractive	borrow
Services fail to operate within set budgets due to: <ul style="list-style-type: none"> <li>• Increased service demand</li> <li>• Price variations</li> <li>• Unachieved income levels</li> <li>• Unachieved savings</li> </ul>	2	4 1% overspend on net GF budget = £2.3m in 2012/13	8	Departmental service pressures that can only be met through additional resources, such as the risk provisions, or savings elsewhere in the budget. Reduction in reserves	Monitor corporate critical budgets and overall budget through TBM. Identify action plans to mitigate cost pressures.
Waste tonnages higher than projected resulting in additional disposal costs particularly landfill	2	4 1% increase in tonnage per annum = £0.7m p.a. over life of contract	8	Would increase the waste disposal budget and compensating savings would need to be identified elsewhere in the budget	Provision for higher tonnages made in assessment of waste PFI reserve Monitor and identify specific areas of growth and undertake waste minimisation and further recycling measures
Continuing difficult financial climate has a greater than anticipated impact on collection of	3	4 1% reduction in income =	12	Services would need to identify compensating savings and in particular look at whether expenditure could	Identify action plans to mitigate income and rent shortfalls

<b>Risk</b>	<b>Likelihood of occurrence (L)</b>	<b>Impact (I)</b>	<b>Risk (L) X (I)</b>	<b>Possible Impact on Financial Strategy</b>	<b>Mitigation / Management</b>
income and commercial rents		£1m 1% reduction in commercial rents = £0.1m		be reduced in those income generation areas	
The uncertainties within housing market and changes in housing benefit create spending pressures within the homelessness budget	4	3 10% increase in homelessne ss budget = £0.3m	12	Would create additional pressures in the Housing Strategy budget which would need to find compensating savings	Assess the potential impact of proposed changes to the housing benefit system and the introduction of universal credit and lobby accordingly
Provisions for Equal pay and future pay insufficient to meet liabilities	3	4 1% variation in total pay = £1.4m p.a.	12	Settlement of existing equal pay claims above the provision would reduce the level of reserves	Maintain and update the risk register Monitor progress on a frequent basis and update financial forecasts regularly particularly in the light of any new legal rulings
Major civil incident occurs e.g. storm, flooding, riot	2	3 Estimated "Bellwin" threshold = £0.8m	6	Budget overspend/reduction in reserves Pressures on other budgets	Ensure adequate levels of reserves to cover threshold expenditure Ensure appropriate insurance

<b>Risk</b>	<b>Likelihood of occurrence (L)</b>	<b>Impact (I)</b>	<b>Risk (L) X (I)</b>	<b>Possible Impact on Financial Strategy</b>	<b>Mitigation / Management</b>
					cover is in place.
Severe winter weather places additional spending pressures on winter maintenance and other budgets across the council	3	3 Depends on severity of weather event and length of cold snap	9	Need to use reserves in one-off risk provisions	Advance planning to minimise possible disruption
Pupil numbers lower than projected	2	3 1% of Dedicated Schools Grant = £1.5m	6	Schools funding through dedicated schools grant lower than anticipated.	Review & improve pupil number projections. Consultation with schools forum.
Cost overruns occur on schemes in the agreed capital programme	2	3 1% cost overrun on total programme = £0.97m	6	Reserves or other capital resources redirected to fund overspend Unable to meet capital investment needs	Effective cost control and expenditure monitoring. Flexibility within programme to re-profile expenditure if necessary.
Capital receipts lower than anticipated	4	4 10% reduction in receipts = £0.5m in	16	Fewer resources available for transport programme and other strategic funds	Flexible capital programme that allows plans to be reduced or re-profiled. Alternative site disposal plans

Risk	Likelihood of occurrence (L)	Impact (I)	Risk (L) X (I)	Possible Impact on Financial Strategy	Mitigation / Management
		12/13 & £0.8m in 13/14			capable of being accelerated
<b>Further risks affecting 2013/14 onwards</b>					
Income from business rates is lower than expected due to adverse changes in local economy / successful rating appeals / collection performance declines	3	4 1% of forecast retained business rates income = £0.6m	12	Immediate impact on reserves Would require reduction in the budget for following year to repay reserves and meet ongoing resource shortfalls	Make appropriate provisions in resource forecasts Close monitoring of business rates yield and collection Consider measures to encourage growth in local businesses
Council tax collection is lower than anticipated in relation to households previously receiving higher levels of council tax benefit	3	3 10% non-collection = £0.26m	9	Immediate impact on reserves Would require reductions in the budget for the following year to repay reserves	Close monitoring of the collection fund Implement appropriate collection strategies to minimise impact and review effectiveness of the Debt Prevention Team
Cash reductions in remaining specific grants in 2013/14 and beyond causing additional budget pressures	3	4 5% reduction in specific grants =	12	Reductions in budgets or upward pressure on council tax	Provisions for reductions made in resource forecasts Develop strategies to identify priorities and mitigate impact

<b>Risk</b>	<b>Likelihood of occurrence (L)</b>	<b>Impact (I)</b>	<b>Risk (L) X (I)</b>	<b>Possible Impact on Financial Strategy</b>	<b>Mitigation / Management</b>
		£1.2m			of reductions
Energy and fuel prices increase above 10%	3	3 10% increase = £0.3m	9	Would reduce resources within budgets creating the need to find additional savings	Reduce consumption and implement measures to generate energy Monitor energy/fuel market for contracts closely Risk provisions and service pressures provide some cover for higher inflation
Council unable to deliver a council tax benefit (CTB) scheme with a 10% cost reduction from 1 April 2013	3	3 1% of CTB = £0.26m	9	Reductions in budgets or upward pressure on council tax	Define as a corporate critical budget, closely monitor and allow for periodic review of adopted scheme.
Number of council tax benefit claimants higher and / or CTB scheme costs more than anticipated	3	4 1% of CTB = £0.26m	12	Immediate impact on reserves Ability to review scheme to meet new financial pressures	Closely monitor claimant numbers Make appropriate changes to the scheme to reduce financial cost
Investment interest rates lower than anticipated	2	3 0.5% lower = £0.3m	6	Would need more reserves to cover any shortfall in the investment interest budget	Keep investment strategy under constant review
The council fails to reduce its carbon footprint resulting	3	2 Allowances	6	Would reduce resources within budgets creating the	Continue developing council carbon budgets for services

<b>Risk</b>	<b>Likelihood of occurrence (L)</b>	<b>Impact (I)</b>	<b>Risk (L) X (I)</b>	<b>Possible Impact on Financial Strategy</b>	<b>Mitigation / Management</b>
in higher than anticipated energy costs and need to purchase more allowances than anticipated under the CRC scheme		budget = £0.260m		need to find additional savings	and report / monitor alongside financial budget. Programme of investment to reduce carbon footprint across the council
Transfer of funding for Public Health responsibility from 1 April 2013 insufficient to meet existing service requirements and future demand	2	3 Budget not known	6	Reductions in budgets or upward pressure on council tax	Work closely with NHS to ensure appropriate budget transfer and full knowledge of current and future spending pressures.  Monitor budget and spending closely and identify strategies to meet any additional resource requirements.
Reduction in Dedicated Schools Grant following review of existing formula and possible introduction of a national model for distribution between schools	3	4 1% reduction in DSG = £1.5m	12	Additional pressure on schools budgets	Respond to consultation papers and lobby Government on impact  Early discussions with Schools Forum on potential impact



<b>Risk</b>	<b>Likelihood of occurrence (L)</b>	<b>Impact (I)</b>	<b>Risk (L) X (I)</b>	<b>Possible Impact on Financial Strategy</b>	<b>Mitigation / Management</b>
New reimbursement arrangements after current concessionary fares fixed deals end result in higher than anticipated costs in 2014/15 and beyond	3	3 5% change = £0.5m	9	Reductions in budgets or upward pressure on council tax	Monitor national reimbursement arrangement and lobby DfT for changes Closely monitor local data including new smart-card data to inform reimbursement calculations Early negotiations with bus companies about options for new fixed arrangements
Pay assumptions for 2013/14 onwards are lower than agreed pay awards and other pay related costs	3	4 0.5% change in pay award = £0.8m	12	Immediate impact on reserves if risk provisions prove insufficient Would require reductions in the budgets for the following year to repay reserves	Monitor progress on pay award negotiations and wider national settlements Settlement of existing equal pay claims above the provision would reduce the level of reserves
Pension costs increase at next actuarial review in 2014/15 to cover any deficit greater than anticipated due to lower investment performance /	3	3 Each 0.1% additional employer contribution = £0.08m	9	Reductions in budgets or upward pressure on council tax	Implement actuarial advice on contribution rate. All employment decisions include allowance for full pension costs.

<b>Risk</b>	<b>Likelihood of occurrence (L)</b>	<b>Impact (I)</b>	<b>Risk (L) X (I)</b>	<b>Possible Impact on Financial Strategy</b>	<b>Mitigation / Management</b>
higher level of opt out following increased employee contribution rates					Maximise contributions to pension fund where affordable

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

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

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

### **Opportunities**

A number of potential specific financial opportunities have been identified from 2013/14:

- A Government consultation on technical reforms to the council tax could allow the council to reduce discounts on second and empty homes generating potential additional income from 1<sup>st</sup> April 2013.
- Revised calculations of funding reductions associated with the introduction of academies will be made following the January 2013 pupil count which cannot decrease funding to any authority but may lead to a lower reduction for Brighton & Hove because the proportion of pupils attending academies within the city is relatively low.

## APPENDIX 8

### Annual Minimum Revenue Provision (MRP) Statement

Statutory guidance issued by the government in February 2008 requires the council to prepare an annual statement on the amount of debt that will be repaid in the following year.

The move to International Financial Reporting Standards (IFRS) in local government has resulted in the council's three PFI schemes being on balance sheet and some leases (or parts of leases) being reclassified as finance leases. These contracts are now subject to the requirement to provide MRP.

The approved MRP statement for 2011/12 limited repayment of debt for assets where no government support is received to equal instalment of principal (EIP). EIP is considered appropriate for the majority of council projects (e.g. purchase of vehicles) where no government support is received. However EIP is not always appropriate for larger, long-term capital investment projects or those which generate income or savings. In these circumstances repayment by annuity, whereby the annual amount payable each year including interest is the same each year.

It is recommended therefore that the 2011/12 MRP Statement is amended to include repayment by annuity for assets where no Government support is received where this method is the most financially beneficial to the council over the life of the asset.

The following statement is recommended for approval for 2012/13:

For 2012/13 the following provision will be made in the revenue account:

- for debt where the government provides revenue support the council will set aside a sum of 4% of the notional debt relating to capital investment, but excluding capital investment on the HRA housing stock (known as the non-HRA capital financing requirement),
- for debt where the government provides no revenue support:
  - where the debt relates to an asset the council will set aside a sum equivalent to repaying debt over the life of that asset either in equal annual instalments or on an annuity basis, the method determined by that most financially beneficial to the council over the life of the asset, or
  - where the debt relates to expenditure which is subject to a capitalisation direction issued by the Government the council will set aside a sum equivalent to repaying debt over a period consistent with the nature of the expenditure under the annuity basis.
- in the case of finance leases and on-balance sheet PFI contracts the MRP requirement will be regarded as met by a charge equal to the element of the lease payment or unitary charge that is applied to write down the balance sheet liability in the year.



## Brighton & Hove City Council – Prudential Indicators 2012/13 to 2014/15

The following prudential indicators are recommended to the council. The indicators include the effect of the new accounting standards (International Financial Reporting Standards) introduced into local authority accounting.

### **A Prudential indicators for Affordability**

In demonstrating the affordability of its capital investment plan the council must:

- determine the ratio of financing costs (e.g. capital repayments, interest payments, investment income, etc) to net revenue stream for both the Housing Revenue Account (HRA) and non-HRA services for a 3 year period; and
- determine the incremental impact on the council tax and housing rents (in both instances the scope for increases is governed by the Government's ability to limit council tax increases and the current restriction on council rents).

Indicator A1 sets out the ratio of financing costs to net revenue stream. The estimates of financing costs include current commitments and the proposals in this budget report.

#### **A1 Prudential indicator – Estimates of the ratio of financing costs to net revenue stream 2012/13 to 2014/15**

	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>
Non-HRA	<b>8.7%</b>	<b>8.5%</b>	<b>8.4%</b>
HRA	<b>14.5%</b>	<b>16.2%</b>	<b>18.0%</b>

Indicators A2 and A3 set out the estimated incremental impact on both the levels of council tax (Band D equivalent) and housing rents of the recommended capital investment plans and funding proposals. The impact has been calculated using the latest projections on interest rates for both borrowing and investments. The impact does not take account of government support included for new borrowing.

#### **A2 Prudential indicator – Estimates of the incremental impact of the new capital investment decisions on the council tax 2012/13 to 2014/15**

	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>
Addition in council tax requirement	<b>£17.67</b>	<b>£20.17</b>	<b>£20.68</b>

#### **A3 Prudential indicator – Estimates of the incremental impact of the new capital investment decisions on the average weekly housing rents 2012/13 to 2014/15**

	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>
Addition in average weekly housing rent	<b>£33.00</b>	<b>£37.22</b>	<b>£35.63</b>

**B Prudential indicators for Prudence**

A key indicator of prudence is that, over the medium term, net borrowing will only be for a capital purpose (net borrowing being total borrowing less investment). Under the Code the underlying need to borrow for a capital purpose is measured by the capital financing requirement.

Indicator B1 compares the estimated net borrowing (i.e. after deducting investments) with the estimated capital financing requirement as at 31 March each year. Indicator B2 compares gross debt to net debt to show the extent of borrowing in advance of need (where applicable).

**B1 Prudential indicator – Net debt (including PFI liabilities) and the capital financing requirement 2012/13 to 2014/15**

	<b>31 Mar 13 Estimate</b>	<b>31 Mar 14 Estimate</b>	<b>31 Mar 15 Estimate</b>
	£000	£000	£000
Net borrowing	<b>247,181</b>	<b>237,118</b>	<b>227,171</b>
PFI liabilities	<b>59,719</b>	<b>57,977</b>	<b>56,127</b>
Net debt (incl PFI liabilities)	<b>306,900</b>	<b>295,095</b>	<b>283,298</b>
Capital financing requirement	<b>355,878</b>	<b>344,006</b>	<b>329,387</b>

**B2 Prudential indicator – Gross debt (including PFI liabilities) and Net debt 2012/13 to 2014/15**

	<b>31 Mar 13 Estimate</b>	<b>31 Mar 14 Estimate</b>	<b>31 Mar 15 Estimate</b>
	£000	£000	£000
Gross borrowing	<b>271,784</b>	<b>261,979</b>	<b>252,331</b>
PFI liabilities	<b>59,719</b>	<b>57,977</b>	<b>56,127</b>
Gross debt (incl PFI liabilities)	<b>331,503</b>	<b>319,956</b>	<b>308,458</b>
Net debt (incl PFI liabilities)	<b>306,900</b>	<b>295,095</b>	<b>283,298</b>

**C Prudential indicator for Capital Expenditure**

Elsewhere on this agenda is a report recommending the capital investment plans for the council over the next three years. Indicator C1 summarises the recommendations within that report. Indicator C2 sets out the estimates of the capital financing requirement over the same period.

**C1 Prudential indicator – Estimates of total capital expenditure 2012/13 to 2014/15**

	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>

	£000	£000	£000
Total non-HRA	<b>96,866</b>	<b>51,218</b>	<b>41,390</b>
Total HRA	<b>27,229</b>	<b>27,554</b>	<b>19,868</b>
Total programme	<b>124,095</b>	<b>78,772</b>	<b>61,258</b>

In considering the capital investment plan the council has had regard to a number of key issues, namely:

- affordability, e.g. implications for council tax/housing rents
- prudence and sustainability, e.g. implications for external borrowing
- value for money, e.g. option appraisal
- stewardship of assets, e.g. asset management planning
- service objectives, e.g. strategic planning for the authority
- practicality, e.g. achievability of the forward plan.

**C2 Prudential indicator – Estimates of capital financing requirement 2012/13 to 2014/15**

	<b>31 Mar 13 Estimate</b>	<b>31 Mar 14 Estimate</b>	<b>31 Mar 15 Estimate</b>
	£000	£000	£000
Non-HRA	<b>227,521</b>	<b>216,720</b>	<b>206,033</b>
HRA	<b>128,357</b>	<b>127,286</b>	<b>123,354</b>
Total	<b>355,878</b>	<b>344,006</b>	<b>329,387</b>

The estimates are based on the financing options included in the capital investment report. The estimates will not commit the council to particular methods of funding – the actual funding of capital expenditure will be determined after the end of the relevant financial year.

The council has a number of daily cashflows, both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with the approved treasury management strategy and practices. In day to day cash management no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. It is possible, therefore, that external debt could exceed the capital financing requirement in the short term.

**D Prudential indicators for External Debt**

A number of prudential indicators are required in relation to external debt.

**D1 Prudential indicator – Authorised limit 2012/13 to 2014/15**

	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>
	£000	£000	£000
Borrowing	<b>321,000</b>	<b>312,000</b>	<b>300,000</b>

Other long term liabilities	<b>62,000</b>	<b>60,000</b>	<b>58,000</b>
Total	<b>383,000</b>	<b>372,000</b>	<b>358,000</b>

The authorised limit is the aggregate of gross borrowing (i.e. before investment) and other long term liabilities such as finance leases. **In taking its decisions on the budget report the council is asked to note that the authorised limit determined for 2012/13 in the above table is a statutory limit required to be determined by full Council under section 3(1) of the Local Government Act 2003.**

The authorised limits are consistent with the council's current commitments, existing plans and the proposals in the budget report for capital expenditure and financing, and with its approved treasury management policy statement and practices. The Director of Finance confirms that they are based on the estimate of most likely, prudent but not worst case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

**D2 Prudential indicator – Operational boundary 2012/13 to 2014/15**

	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>
	£000	£000	£000
Borrowing	<b>309,000</b>	<b>299,000</b>	<b>287,000</b>
Other long term liabilities	<b>62,000</b>	<b>60,000</b>	<b>58,000</b>
Total	<b>371,000</b>	<b>359,000</b>	<b>345,000</b>

The operational boundary is based on the authorised limit but without the additional headroom. The operational boundary represents a key management tool for in-year monitoring by the Director of Finance. As with the authorised limit figures for borrowing (gross) and other long term liabilities are separately identified.

The authorised limit and operational boundary separately identify borrowing from other long-term liabilities. The council is recommended to delegate authority to the Director of Finance, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the council at its next meeting following the change.

**D3 HRA limit on indebtedness 2012/13 to 2014/15**

	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>



	£000	£000	£000
HRA limit on indebtedness	<b>158,202</b>	<b>158,202</b>	<b>158,202</b>
HRA capital financing requirement (C2)	<b>128,357</b>	<b>127,286</b>	<b>123,354</b>

Under the reform of housing finance due to be implemented from 1<sup>st</sup> April 2012 the Government has published the *Limits on Indebtedness Determination 2012* which sets out the maximum amount of housing debt that the council may have outstanding at any one time. For the purposes of D3 housing debt is deemed to equal the HRA capital financing requirement.

**E Prudential indicators for Treasury Management**

A number of prudential indicators are required in respect of treasury management. The indicators are based on the council's treasury management strategy and take into account the pre-existing structure of the council's borrowing and investment portfolios.

**E1 *Prudential indicator – Brighton & Hove City Council has adopted the “CIPFA Code of Practice for Treasury Management in the Public Services” within Financial Standing Orders.***

**E2 *Prudential indicators – Upper limits on interest rate exposure 2012/13 to 2014/15***

	2012/13	2013/14	2014/15
Upper limit on fixed interest rate exposure	<b>109%</b>	<b>110%</b>	<b>110%</b>
Upper limit on variable interest rate exposure	<b>44%</b>	<b>44%</b>	<b>44%</b>

The above percentages are calculated on the net outstanding principal sums (i.e. net of investments). The upper limit of 110% is a consequence of the council maintaining a limited investment portfolio.

Indicator E2a exemplifies the indicator over borrowing and investment.

**E2a *Prudential indicators (supplemental) – Upper limits on interest rate exposure 2012/13 to 2014/15***

	2012/13	2013/14	2014/15
Upper limit on borrowing – fixed rate exposure	<b>100%</b>	<b>100%</b>	<b>100%</b>
Upper limit on borrowing – variable rate exposure	<b>40%</b>	<b>40%</b>	<b>40%</b>
Upper limit on investments – fixed rate exposure	<b>100%</b>	<b>100%</b>	<b>100%</b>
Upper limit on investments – variable rate exposure	<b>100%</b>	<b>100%</b>	<b>100%</b>

Indicator E2a is supplemental to Indicator E2 and shows separately the maximum limits for both borrowing and investments. The indicator is not a requirement of the prudential code but it does show more clearly the interest rate exposure limits within which borrowing and investments will be managed. The effect of the limits is the Director of Finance will manage fixed interest rate exposure within the range 60% to 100% for borrowing and within the range 0% to 100% for investments.

**E3 Prudential indicator – Upper and lower limits on the maturity structure of borrowing 2012/13**

	<b>Upper limit</b>	<b>Lower limit</b>
under 12 months	<b>40%</b>	<b>0%</b>
12 months and within 24 months	<b>40%</b>	<b>0%</b>
24 months and within 5 years	<b>50%</b>	<b>0%</b>
5 years and within 10 years	<b>75%</b>	<b>0%</b>
10 years and above	<b>100%</b>	<b>40%</b>

The limits in Indicator E3 represent the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate at the start of the period.

**E4 Prudential indicator – Principle sums invested for periods longer than 364 days**

	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	£000	£000	£000
Limit	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>

2012/13 - 2013/14 Savings Proposals Summary

	People		Place		Resources and Finance	Communities	Corporate Budgets	Savings to be identified	Total General Fund
	Adult Social Care £'000	Children's Services £'000	Housing Strategy £'000	City					
				Regulation & Infra-structure £'000					
2012/13 Proposals	3,201	2,671	1,189	4,411	1,855	1,105	1,220		15,652
2012/13 Full Year	3,492	2,671	1,189	4,667	1,855	1,223	1,270		16,367
2013/14 Proposals	5,449	2,509	913	227	1,994	385	2,750	1,521	15,748
2013/14 Full Year	6,049	2,509	913	227	1,994	535	2,750	1,521	16,498
<b>Total Full year effect savings over 2 years</b>	<b>9,541</b>	<b>5,180</b>	<b>2,102</b>	<b>4,894</b>	<b>3,849</b>	<b>1,758</b>	<b>4,020</b>	<b>1,521</b>	<b>32,865</b>

## Budget Strategy for Adult Social Care

### Summary

	Budget 2011/12 £'000	Proposed Budget 2012/13 £'000	% change	Indicative Budget 2013/14 £'000	% change
Commissioner - People	2,580	2,045	-20.7	1,736*	-15.1
Delivery Unit - Adults Assessment	62,404	63,585	1.9	60,686*	-4.6
Delivery Unit - Adults Provider	13,997	13,260	-5.3	12,306*	-7.2
Adult Services	78,981	78,890	-0.1	74,728*	-5.3

\* Indicative budget is shown before any allocation from corporate service pressure funding in 2013/14 for demographic change and other pressures.

### Strategic Financial Context

- There are important demographic changes in the population of Brighton & Hove which affect our spend. In summary these are:
  - A reducing number of Over 65s, but an increased proportion of Over 85s with high and complex needs. A growing number of young adults in need of mental health service provision. Continued increases in the numbers and complexity of need of those with learning and physical disabilities.
- Through Personalisation we are increasing choice to individuals about their care and we are supporting them to live as independently as possible.
- We are looking at all the housing options available for our vulnerable adults to make best use of our limited suitable private and public sector stock.
- We need ensure that the quality of services provided in the independent sector is maintained both through ensuring adequate funding and through tight quality control and monitoring by the council.
- We are looking to retain the level of investment to support carers.
- It is important that we maintain the focus on prevention services and will look at the effectiveness of current provision and opportunities to work with NHS colleagues across the city.
- We also need to make sure that following an illness or period in hospital that we work with our NHS colleagues to make sure people gain as much independence as possible.

## Key Changes arising from this Budget Strategy

### In 2012/13

- We will reduce the numbers of placements in residential care through better use of sheltered accommodation in the city and start to develop new extra care and other housing options.
- We will make savings on the budget we use to support those in need of social care through our reablement service and through better use of assistive technology like Telecare.
- We will start consulting on major changes to our provision for those with learning disabilities, supporting more independent living whilst looking at the most cost effective options of delivery of care. We will refocus our in-house services on short term crisis intervention and those with the most complex needs.
- We will target our building based day services on those with the most complex needs and for carer respite while facilitating a wider range of day activities being available to all. Further consultation will take place on this area.
- Following the previous two year freeze in rates payable to independent nursing and residential care and homecare providers we make increases in 2012/13 to help cover rising energy costs and support fair rates of pay for workers in this sector so that the needs of those receiving care can be met.
- We will protect the funding levels available for mental health provision.
- Following a scrutiny review of community meals we will look to procure a new service during 2012/13.
- We will achieve savings from our planned re-procurement of home care services and with efficiencies following the introduction of the new electronic care monitoring system
- We will bring in line the support to the Learning Disability Partnership Board to put it on a more equitable footing with other similar partnership activities.
- Work continues to improve the efficiency of the assessment process.
- We will plan ahead for the projected increases in the numbers of residents over 85, particularly with dementia, by investing some one off resources to develop capacity and specialist care in the city.

### In 2013/14

- We will continue with the strategies from 2012/13 which will deliver further savings in the subsequent year.
- We will implement the recommendations from the short term services review that we are working on with our NHS partners.

# PEOPLE - Adult Social Care

## 2012/13 Savings proposals

Commissioner - People						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Commissioning support to Director of Adult Social Care statutory role including contracts	950	Review of support services to include commissioning, performance and development and contract management	Costed options to be developed. Will reduce commissioning and contract management capability	50	50	
Commissioned advice and support services to meet statutory obligations	590	Review of all contracts for services as part of commissioning plans and where appropriate re-specify contracts to meet changing needs.	Contracts are being reviewed and discussions with providers taking place, including tapering and re-specifying contracts/contract sums.	50	50	
Commissioned Community Meals service providing 85,000 meals pa	243	Review and Respecify Community Meals. To consider impact of personalisation and the range of options that are currently now available.	Awaiting further feedback from Scrutiny (November 2011). Current contract extended to September 2012 due to capacity to tender	50	100	
Meeting assessed needs through Home Care	Incl within Community care	Recommission Home Care to a new specification and let contract from 1 June 2012.	New contract gives the opportunity to eliminate incentive payments.	180	180	
Service specific Partnership Boards	232	Prioritise use of partnership funding to achieve 50% efficiencies.	Formalise arrangements to engage people with learning disabilities and family carers in commissioning and attendance at meetings, including a review of the costs of project support to the Learning Disability Partnership Board. Would limit scope of partnership boards to consultations; 3rd sector providers could feel disengaged	110	110	
<b>Totals</b>				<b>440</b>	<b>490</b>	

# 2012/13 Savings proposals

## PEOPLE - Adult Social Care Delivery Unit - Adults Assessment

Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
Meeting assessed needs through Extra Care Housing and other forms of supported living.	incl below	Jointly commissioned with housing to deliver extra care capacity to meet the need identified in the city. Plan to reduce no. of people placed in residential care- options to include the use of Sheltered Accommodation/ Extra Care Housing.	Increase use of Sheltered Housing to support Extra Care. Will require change in local allocation policy, development of a joint pathway with adult social care and will involve working with all Registered Social Landlords in the city. All client groups. Commissioning process to start Oct 11.	400	400
The service has a duty to meet assessed needs of people with Learning Disabilities within the Fair Access to Care (FACS) criteria	Incl below	Develop proposals to implement the Learning Disabilities accommodation and support strategy and consult on the options. Look to utilise the capacity in the city and operate a robust and appropriate service Key areas:- - Supporting move on to greater independence by increasing low level supported living options and modernising shared lives. - Remodel services to provide short term crisis support and for those with the most complex needs to reduce out of area respite and emergency placements. -Ensure provision is fit for purpose going forward	Detailed proposals to be taken to the Cabinet Member Meeting and Joint Commissioning Board for permission to consult and report back. Detailed implementation plans will need to be in place based on assessed needs of individuals.	75	100
				38	50

# PEOPLE - Adult Social Care

## 2012/13 Savings proposals

<b>Delivery Unit - Adults Assessment</b>					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
The service has a duty to meet assessed needs of people with Learning Disabilities within the Fair Access to Care (FACS) criteria	Incl below	Recommissioning of Independent Sector contract re Learning Disabilities Supported Accommodation at Sackville Gardens when current 3 year contract expires (December 2012).	Detailed proposals to be taken to the Cabinet Member Meeting and Joint Commissioning Board for permission to consult with tenants and service users and report back. Detailed implementation plans will need to be in place based on assessed needs of individuals.	15	115
These services provide the statutory duty under the NHS and Community Care Act (1990) to assess needs and to provide services to meet those assessed needs.	52,601	Community Care. Scope potential to increase move on by: - further focus on reablement activities - short term interventions - prevention activities - better use of Telecare - better use of in-house residential services	- Value for Money target /Benefits Realisation  Enhanced reablement and better use of assisted technology to reduce numbers into residential/nursing homes. Dependent on reviews and provider services	1,172	1,172
Joint commissioning provider arrangements	3,738	Look at options for re-modelling staffing arrangements in Assessment Services	Re-modelling staffing arrangements	200	200
Meeting assessed needs through Home Care	Incl within Community care	Recommission Home Care to a new specification and let contract from 1 June 2012. .	New contract gives the opportunity to revise rates structure.  Monitor impact of Electronic Care Monitoring System and impact of new contracts on savings. Risk that ECMS doesn't deliver or causes instability in the home care	100	100
				100	100



## PEOPLE - Adult Social Care

## 2012/13 Savings proposals

Delivery Unit - Adults Assessment					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
			market	2,100	2,237
<b>Totals</b>				<b>2,100</b>	<b>2,237</b>

# PEOPLE - Adult Social Care

# 2012/13 Savings proposals

Delivery Unit - Adults Provider					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
Small registered residential homes and supported living, includes Respite Services and Shared Lives scheme	4,509	Develop proposals for the in house service to implement the Learning Disabilities accommodation and support strategy and consult on the options. In house service to refocus on short term crisis intervention and those with the most complex needs. Potential capital receipts when properties become vacant which may need to be reinvested in alternative service provision. - In-house service to focus on those with the most complex needs	Detailed proposals to be taken to the Cabinet Member Meeting and Joint Commissioning Board for permission to consult and report back. Detailed implementation plans will need to be in place based on assessed needs of individuals.	311	415
Services provided to vulnerable people through in house service-includes reabling homecare and day care	3,111	Identify scope/options to reduce in house unit costs.	Costed options to be developed to include reduction in use of agency and to promote flexible working of staff to support units when users are attending day activities	50	50
Services provided during the day for older people and older people with mental health needs to enable them to continue living independently and to provide carer relief	2,305	Day Activities. Option appraisal in development with focus on in -house building based day activities and contract for services provided in the independent sector. Proposal to be developed for consultation	Commissioning plan being developed. Tiering activity, providing building based services for people with highly complex needs and carer support and a 'hub and spoke' model for other people assessed as needing support. The Embrace model to provide universal support to communities. (NB Excludes mental	250	250

# PEOPLE - Adult Social Care

## 2012/13 Savings proposals

<b>Delivery Unit - Adults Provider</b>					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
			health services which are subject to a separate joint commissioning plan with the NHS). This will result in a reduction in building based day services. Requires further focus on maintaining services to the most vulnerable and acceptance of community based options. Detailed proposals to be taken to the Cabinet Member Meeting and Joint Commissioning Board for permission to consult and report back.		
Transport services	incl. above	Transport- review allocation of transport against assessed needs linked to corporate project across children's/adults	3 months project support agreed corporately to review transport services across Children's and Adults to identify best options for change that deliver solutions that improve services.	50	50
<b>Totals</b>				<b>661</b>	<b>765</b>
<b>Overall Total 2012/13</b>				<b>3,201</b>	<b>3,492</b>

## PEOPLE - Adult Social Care

## 2013/14 Savings proposals

<b>Commissioner - People</b>						
<b>Service (including brief description)</b>	<b>Total Net budget £'000</b>	<b>Description of saving</b>	<b>Service impact and risks</b>	<b>Savings identified 2013/14 £'000</b>	<b>Full Year effect of 2013/14 savings £'000</b>	
Commissioning support to Director of Adult Social Care statutory role including contracts	950	Review of support services to include commissioning, performance and development and contract management	Costed options to be developed. Will reduce commissioning and contract management capability	50	50	
Commissioned advice and support services to meet statutory obligations	590	Review of all contracts for services as part of commissioning plans and where appropriate re-specify contracts to meet changing needs.	Contracts are being reviewed and discussions with providers taking place, including tapering and re-specifying contracts/contract sums.	150	150	
Commissioned Community Meals service providing 85,000 meals pa	243	Review and Respecify Community Meals. To consider impact of personalisation and the range of options that are currently now available.	Awaiting further feedback from Scrutiny.	100	100	
<b>Totals</b>				<b>300</b>	<b>300</b>	

## PEOPLE - Adult Social Care Delivery Unit - Adults Assessment

## 2013/14 Savings proposals

Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
Meeting assessed needs through Extra Care Housing	Incl below	Jointly commissioned with housing to deliver extra care capacity to meet the need identified in the city. Plan to reduce no. of people placed in residential care- options to include the use of Sheltered Accommodation/ Extra Care Housing.	Increase use of Sheltered Housing to support Extra Care. Will require change in local allocation policy, development of a joint pathway with adult social care and will involve working with all Registered Social Landlords in the city. All client groups. Commissioning process to start Oct 11.	1,640	1,640
The service has a duty to meet assessed needs of people with Learning Disabilities within the Fair Access to Care (FACS) criteria	Incl below	Develop proposals to implement the Learning Disabilities accommodation and support strategy and consult on the options. Look to utilise the capacity in the city and operate a robust and appropriate service Key areas:- - Supporting move on to greater independence by increasing low level supported living options and modernising shared lives. - Remodel services to provide short term crisis support and for those with the most complex needs to reduce out of area respite and emergency placements. -Ensure provision is fit for purpose going forward	Detailed proposals to be taken to the Cabinet Member Meeting and Joint Commissioning Board for permission to consult and report back. Detailed implementation plans will need to be in place based on assessed needs of individuals.	100	100
				50	50

# PEOPLE - Adult Social Care

## 2013/14 Savings proposals

<b>Delivery Unit - Adults Assessment</b>					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
These services provide the statutory duty under the NHS and Community Care Act (1990) to assess needs and to provide services to meet those assessed needs.	52,601	<p>Community Care. Scope potential to increase move on by:</p> <ul style="list-style-type: none"> <li>- further focus on reablement activities</li> <li>- short term interventions</li> <li>- prevention activities</li> <li>- better use of Telecare</li> <li>- better use of in-house residential services</li> </ul> <p>Continue to maximise sources of funding/income</p>	<p>- Value for Money target /Benefits Realisation</p> <p>Enhanced reablement and better use of assisted technology to reduce numbers into residential/nursing homes. Dependent on reviews and provider services</p> <p>Further savings to include Supported Living Strategy( under development) which will require new services to be developed</p> <p>May require further spend to save funding to develop Telecare solutions.</p>	579	579
Joint commissioning provider arrangements	3,738	Look at options for re-modelling staffing arrangements in Assessment Services		340	340
Meeting assessed needs through Home Care	Incl within Community care	Recommission Home Care to a new specification and let contract from 1 June 2012.	New contract gives the opportunity to revise rates structure and to eliminate incentive payments.	120	120
Meeting assessed needs		Short Term Services Review across integrated arrangements with health. This covers a range of both community and bed based services provided by a range of providers including the local authority.	Review of Short Term Care services and support- development of proposals for consultation	100	200

## PEOPLE - Adult Social Care

## 2013/14 Savings proposals

Delivery Unit - Adults Assessment					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
		These services support hospital discharge, prevention of admission and reablement.			
<b>Totals</b>				<b>4,034</b>	<b>4,134</b>

# PEOPLE - Adult Social Care

# 2013/14 Savings proposals

Delivery Unit - Adults Provider					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
Small registered residential homes and supported living, includes Respite Services and Shared Lives scheme	4,509	Develop proposals for the in house service to implement the Learning Disabilities accommodation and support strategy and consult on the options. In house service to refocus on short term crisis intervention and those with the most complex needs. Potential capital receipts when properties become vacant which may need to be reinvested in alternative service provision. - In-house service to focus on those with the most complex needs	Detailed implementation plans will need to be in place.	415	415
Services provided to vulnerable people through in house service-includes reabling homecare and day care	3,111	Identify scope/options to reduce in house unit costs.	Costed options to be developed to include reduction in use of agency and to promote flexible working of staff to support units when users are attending day activities	50	50
Services provided during the day for older people and older people with mental health needs to enable them to continue living independently and to provide carer relief	2,305	Day Activities. Option appraisal in development with focus on in -house building based day activities and contract for services provided in the independent sector. Proposal to be developed for consultation	Commissioning plan being developed. Tiering activity, providing building based services for people with highly complex needs and carer support and a 'hub and spoke' model for other people assessed as needing support. The Embrace model to provide universal support to communities. (NB Excludes mental	150	150



# PEOPLE - Adult Social Care

# 2013/14 Savings proposals

Delivery Unit - Adults Provider					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
All current in house provider services including residential accommodation, community based services and day provision		Continue to explore future models for delivery of services. The savings associated with this could be across both the provider and assessment service	health services which are subject to a separate joint commissioning plan with the NHS) Continue to prioritise the role of in house provision to meet high level need and gaps in provision.	500	1,000
<b>Totals</b>				<b>1,115</b>	<b>1,615</b>
<b>Overall Total 2013/14</b>				<b>5,449</b>	<b>6,049</b>

## Budget Strategy for Children's Services

### Summary

	Budget 2011/12 £'000	Proposed Budget 2012/13 £'000	% change	Indicative Budget 2013/14 £'000	% change
Commissioner - Children's Youth & Families	17,693	19,131	+8.1	17,937*	-6.2
Commissioner - Learning & Partnership	5,912	5,096	-13.8	5,048*	+0.4
Delivery Unit - Children's & Families	38,629	38,017	-1.6	37,926*	-0.2
Total Children's Services	62,234	62,244	0.0	60,911*	-2.0

\* Indicative budget is shown before any allocation from corporate service pressure funding in 2013/14 for demographic change and other pressures.

### Strategic Financial Context

- Numbers of looked after children drive spend on placements and on social workers, benchmarking shows that our numbers are high in Brighton & Hove
- Through our Section 75 agreements with health, and our close partnership with schools, community safety and the Police we deliver a joined up front line service for children and families targeting those most in need
- Our Value for Money programme is driving an early intervention strategy enabling families in need to care for their children, especially when they have multiple problems. Effective early intervention should reduce the numbers of children in need and those that become looked after, leading to better outcomes for children and reduced spend while ensuring we meet our child protection duties
- When we do have to take children into care we are working to ensure placements are cost effective, taking into account the needs of the child for the long term
- There has been a significant reduction in specific grant funding from central government available for children's services and our provision needs respond to this, targeting our resources at those most in need
- There are fundamental changes being driven at a national level to the role of councils as Local Education Authorities and funding is being transferred from the maintained sector into Academies and Free Schools
- The Children's Commissioning and Delivery Units work collaboratively to improve the efficiency and impact of our integrated services

including provision for disabled children, teenagers at risk and re-shaping services such as Health Visiting, and Youth Work

## **Key Changes arising from this Budget Strategy**

In 2012/13

- There will be less council subsidy for early years provision in private sector nurseries, advice for childcare providers and families will be more targeted
- We will start consulting on some changes to our provision from some of our children's centres
- The council and the NHS Clinical Commissioning Group will re-shape Health Visiting and other community health services
- We will retain an educational welfare service but one which focuses only on statutory compliance
- We have already restructured our Schools, Skills and Learning Service and there are significant savings as a result of this, but this also means we are reliant on schools to take greater responsibility for one another. And spend on school improvement and inclusion will be targeted to the highest priority areas only
- Home to school transport will continue to be provided for the most vulnerable.
- We will protect funding for carers and respite care to help families stay together wherever possible
- Implementation of the Youth Services strategy will bring together more effectively provision across children's services, culture, sports and leisure, and seek to better integrate statutory and voluntary services
- A programme of early intervention services targeting families most in need will be in place to reduce numbers requiring statutory children in need or child protection plans

In 2013/14

- We will continue with the strategies set out in 2012/13
- Our continued investment in targeted early intervention will have stabilised the numbers of children coming into care and average costs of placements will be lower
- Re-commissioned services for children who need to be looked after, and for young people in housing need will sustain low unit costs focusing, wherever we can on more cost-effective in-house provision
- We will continue early consultation on further changes to the provision of services from our children's centres, again maintaining the services at our full offer centres in the most disadvantaged communities
- We will significantly reduce the subsidy on the school music service

# PEOPLE - Children's Services

# 2012/13 Savings proposals

## Commissioner - Children, Youth & Families

Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
Child, Adolescent Mental Health Services (CAMHS) & Targeted Mental Health in Schools (TAMHS)	623	Recommissioning/service redesign of mental health services as a result of the review of spend from the Early Intervention Grant.	Reduced work with both children and professionals in schools to raise awareness of mental health.	107	107
Early Intervention and Prevention	1,117	Recommissioning/service redesign of early intervention & prevention services as part of the review of spend from the Early Intervention Grant (EIG).	Reduced opportunities to strengthen early intervention services. No impact on posts.	192	192
Commissioning	250	Various non staffing budgets.	Minimal impact on services.	10	10
Child Trust Fund - Top Up	2	Council responsibility ceased.	Minimal impact on services.	2	2
<b>Totals</b>				<b>311</b>	<b>311</b>

# PEOPLE - Children's Services

# 2012/13 Savings proposals

Delivery Unit - Children & Families					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
<b>Childcare sufficiency and quality</b> - Support new and existing childcare providers, including childminders, to provide good quality and safe childcare, advice and sustainability funding to voluntary childcare providers, ensure sufficient places for all 3 and 4 year olds	568	Reduce and target quality support for childcare providers. Provide more information on line. Review sustainability funding for childcare providers and organisations who support childcare providers. (17% saving).	Reduced capacity to offer universal support to all childcare providers could lead to worse Ofsted inspection outcomes. Reduced funding and support for sustainability will be considered alongside the funding from the Children's Centre budget to ensure provision remains viable where possible.	100	100
<b>Childcare Workforce Development</b> - Commission and deliver training e.g. non-accredited short courses on Early Years Foundation Stage (EYFS) welfare requirements and for children under 3 inc safeguarding, 1st aid, Presens and Ethnic Minority Achievement Service (EMAS) training, and bursaries for L2,3 and 5 childcare qualifications	425	Reduce funding for training and bursaries by 50%. Restructure Childcare Workforce Development Team to reflect changes. Charge for some short courses.	Charging for some training courses will increase costs for childcare providers and may reduce take up. Reduced funding for bursaries for childcare qualifications will also increase costs for providers and may reduce number of qualified staff. The Early Years Single Funding Formula within the Dedicated Schools Grant (DSG) should be reviewed to take account of these changes.	212	212
<b>Graduate Leader Fund (GLF)</b> - provides incentives for childcare providers to support staff to become Early Years Professionals (EYPs) and to subsidise the costs of	464	Reduce funding by 60% and no longer fund the Early Years Professional network.	No funding for settings with staff on an Early Years Professional (EYP) pathway. Reduce level of funding for settings with EYPs with levels of	278	278

## PEOPLE - Children's Services

## 2012/13 Savings proposals

Delivery Unit - Children & Families					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
employing EYPs. Funds whole costs of 2 EYPs in very disadvantaged settings, £10k for an EYP.			funding graduated according to the number of disadvantaged children. Increased costs for childcare settings with EYPs. Research shows that children benefit particularly from a place at an early education setting with highly qualified staff, and that high quality early education is a key factor in closing gaps in attainment and improving school readiness of the neediest children. The Early Years Single Funding Formula in the DSG should be reviewed to take account of these changes.		
<b>Family Information Service (FIS) and At Home Service</b> - provide information and advice to parents and a matching scheme for child carers who work in parents homes.	320	Reduce funding by providing more information on-line and reducing marketing, training for staff and support for the At Home Childcare scheme. (15% saving).	More information provided on-line but with reduced capacity for FIS to offer advice and information to parents one the phone and face to face. At Home workers can access free minimum training in the main programme.	50	50
<b>Citywide Children's Centre (CC) costs</b> - salaries for communications, finance, performance analyst, book start posts, parental involvement, Ad contribution, speech and language (£47k), EMAS (£40k),	298	Reduced funding for central support services and review commissioned services (Reduction of 21%).	No longer produce Children's First. Less communications support for children's services and schools. Less finance support is needed following the end of the ring-fenced	64	64

# PEOPLE - Children's Services

# 2012/13 Savings proposals

Delivery Unit - Children & Families					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
childminder drop-ins (£15k)			Sure Start grant. Less support for childminders.		
<b>CC Nurseries</b> - part of the core offer of CCs in disadvantaged areas. Roundabout, Jumpstart, Tarnerland, Cherry Tree, Acorn, Honeycroft.	867	Reduce agency costs and increase the nursery apprenticeship scheme. Review the staffing structure of the nurseries. Fee increase of 3%. (Reduction of 16%).	Savings are dependent on recruiting apprentices and maintaining occupancy levels in the nurseries. Apprenticeship scheme should reduce the need for agency staff, give training opportunities and improve consistency for children. Any reductions in qualified staff could lead to reduced quality of provision and the capacity to deliver Family Learning.	140	140
<b>Children's Centres (CC)</b> - 6 full offer CCs in disadvantaged areas, 9 smaller gateway CCs in other areas and 5 linked sites which are not designated. Offer universal and targeted early years and health services. Buildings also host other Children and Families Services and midwifery.	2,986	Seek permission from Budget Council to consult on changes to the citywide strategy for securing children's centres as part of a joint review with the Clinical Commissioning Group of children's health services including Health Visiting provision. This would include reviewing the number of Children's Centres and the services they deliver.	Statutory guidance includes a presumption against the closure of children's centres. The revised strategy would need to demonstrate that the Council is still meeting its duty to provide sufficient children's centres. There is a requirement for local authorities to notify and consult with the Department for Education about any plan to transfer, dispose of, or change the use of buildings or any other tangible fixed assets which has a current market value of more	50	50

# PEOPLE - Children's Services

# 2012/13 Savings proposals

Delivery Unit - Children & Families					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
<b>Services for Children with Disabilities</b>	5,695	Internal efficiencies.	<p>than £2,500. The consultation will need to consider the delivery of universal health services delivered from children's centres. Reductions in funding will lead to less universal services for children under 5 and their families. Reductions in the number of children's centres may make it more difficult for vulnerable families to access children's centres and lead to worse outcomes for young children.</p> <p>These savings will be achieved through reductions in the following areas:</p> <ul style="list-style-type: none"> <li>£10k adaptations reduction in capacity to provide additional support to the disabled facilities grant adaptations</li> <li>£25k health contribution integrated post</li> <li>£15k administration reduction in the admin capacity within the service</li> </ul>	50	50
<b>Educational Welfare Service</b>	254	Reduce the service provision to the statutory minimum.	The local authority will perform a minimum statutory function in relation to children's attendance.	217	217



# PEOPLE - Children's Services

# 2012/13 Savings proposals

Delivery Unit - Children & Families					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
<p><b>Youth Service</b> - Brighton and Hove Youth Service is a city wide curriculum based service providing activities and support to young people 13-19 and up to 25 with special needs. Young people learn about themselves, others and society through activities.</p> <p><b>Youth Employability Service</b></p>	1,564	Changing sub-contracting arrangements with one or more supplier.	<p>There will not be capacity to monitor children's attendance on a city wide basis, support schools with this work or work with families where attendance is an issue. Schools will be required to take greater responsibility for managing attendance and will receive less external challenge.</p> <p>Minimal impact on outcomes for children.</p>	55	55
	841	It is proposed in 2012/13 that a commissioning review takes place of the Youth Employability Service and the other employment/apprenticeship/economic regeneration activities within the council, with implementation in 2013/14. The reduction in Not in Education, Employment or Training (NEET) figures for young people in	<p>The proposed savings of £30k in 2012/13 for the Youth Employability Service will have some impact on support for front-line services in terms of a reduction in training, publicity for engaging young people with the service and some ICT support. However the main front-line delivery of the service will not be greatly affected, with the same</p>	30	30

# PEOPLE - Children's Services

# 2012/13 Savings proposals

Delivery Unit - Children & Families					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
		<p>the city is heavily dependent on 3 factors; secondary schools, employment and training opportunities. Improvements in secondary schools are being led by the secondary schools commission to improve advice and guidance and positive destinations for young people. Improvement in training opportunities is being led by the 11-19 year old partnership. Therefore it is hoped to improve employment and support by recommissioning the Youth Employability Service and the other council activities around employment and economic regeneration together. Synergies and cost savings will be realised alongside improving employment and apprenticeships opportunities.</p>	<p>number of workers in post and working directly with young people aged 16-18 who are Not in Education Employment or Training (NEET) and young people with Learning Difficulties / Disabilities (LDD).</p>		
<b>Youth Offending Services (YOS)</b>	920	<p>5% savings equates to £46k. We would undertake a review of the non statutory projects delivered by the YOS service and restructure these. We would also seek to make some savings from the building</p>	<p>The proposed savings will have some impact on front-line services in terms of services offered to young people. The YOS service currently offers and pays the wages of young people in employment place, the</p>	46	46

## PEOPLE - Children's Services

## 2012/13 Savings proposals

Delivery Unit - Children & Families					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
		costs by seeking to share the building with other services.	number of places or wages offered may need to be reviewed along with additional support to vulnerable young people.		
<b>Extended Schools - Start Up</b>	103	10% reduction in grants.	Small reduction in grant funding - only fund voluntary groups with most disadvantaged children.	9	9
<b>Participation</b>	110	Savings on building costs.	The service would be able to continue to offer to its current level.	6	6
<b>Totals</b>				<b>1,307</b>	<b>1,307</b>

# PEOPLE - Children's Services

# 2012/13 Savings proposals

Commissioner - Learning & Partnership						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
School Improvement and Inclusion	380	A 46k cut to central council budget to support schools with school improvement and inclusion. Switching this funding with central Dedicated Schools Grant (DSG) funding.	There service will remain and will be funded from DSG leaving reduced flexibility to respond to schools in crisis although some contingency remains. More responsibility on schools to fund activity and support in these areas.	46	46	
School Improvement and Inclusion	380	Cut to central council budget to support schools with school improvement and inclusion. Switching this funding with central DSG funding. Cut to DSG budget.	There service will remain and will be funded from DSG leaving reduced flexibility to respond to schools in crisis although some contingency remains. More responsibility on schools to fund activity and support in these areas.	218	218	
School Improvement and Behaviour Support		Cut to central council budget to support Learning Mentor programme. Switching this funding with central DSG funding.	Reflects general principle of budgets flowing from the Council to schools and so school will have to accept greater responsibility for managing this area. Grants to schools for disadvantaged pupils ('pupil premium') will increase significantly this year.	66	66	
School Improvement	1,117	Full year impact of the Schools Skills and Learning reorganisation.	COMPLETED: Loss of managers at third tier level in Schools, Skills and	62	62	

# PEOPLE - Children's Services

# 2012/13 Savings proposals

Commissioner - Learning & Partnership					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
			Learning (Learning and Partnership). New leaner structure with less delivery of school improvement by the council. Team more focused on statutory functions, commissioning, Quality Assurance, challenging and calling to account schools. More responsibility to schools for own school improvement.		
Ethnic Minority Achievement Service	73	Full year impact of the Schools Skills and Learning reorganisation.	COMPLETED: Loss of management in EMAS Service (not filling post of those going on Voluntary Severance scheme).	73	73
Admissions, Home to School Transport and School Meals	2,959	Full year impact of the Schools Skills and Learning reorganisation.	COMPLETED: Loss of managers at third tier level in Schools, Skills and Learning (Learning and Partnership). New leaner structure with less delivery of school improvement by the council. Team more focused on statutory functions, commissioning, Quality Assurance, challenging and calling to account schools. More responsibility to schools for own school improvement.	57	57
Home to School Transport		Cut in home to school transport budget. Cheaper more cost	Fewer children being provided with home to school transport, but with	100	100

# PEOPLE - Children's Services

## 2012/13 Savings proposals

Commissioner - Learning & Partnership					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
		effective VFM contract with transport provision. Review of 'contracts' to drive down cost. Strict implementation of criteria for allocation of transport for children with SEN.	increasing numbers supported in building independence.		
Home to School Transport		£68K denominated transport as per committee report CMM 12/09/11.	Full consultation taking place. Equalities Impact assessment will be completed as part of consultation. If agreed some YP/families making own arrangements to get to faith schools. Financial cost to parents. No funding of transport to some children attending faith schools.	40	40
Workforce Development	197	Full year impact of the Schools Skills and Learning reorganisation.	COMPLETED: Loss of managers at third tier level in Schools, Skills and Learning (Learning and Partnership). New leaner structure with less delivery of school improvement by the council. Team more focused on statutory functions, commissioning, Quality Assurance, challenging and calling to account schools. More responsibility to schools for own school improvement.	60	60
Workforce Development (schools training)		Cut to School training and	Not providing non-statutory training	20	20

# PEOPLE - Children's Services

# 2012/13 Savings proposals

Commissioner - Learning & Partnership					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
and Leadership)		leadership budget.	and support with workforce development issues. Schools to use own funding to provide training.		
School Leadership Conferences	18	Cut to council funding budget for Heads/Principals annual conferences and events with switch to DSG funding.	Less available DSG funding for other priority education activity. No council funding contributing to Headteachers Conference.	18	18
Access and Attendance Strategy	54	Cut to central Statutory (vacant post) team.	Less support in central team to monitor access to education, exclusion and to call schools to account. More responsibility of schools and governing bodies. Less available funding to allocate to schools to prevent exclusions.	20	20
Catering	86	Remove catering from members meetings.	The budget for member catering is managed alongside schools catering hence it is shown in this service area.	23	23
Previous grant funding that was core funded in 2011/12		The council replaced education grant funding that was stopped by the government in the 11/12 budget. It is proposed to reduce this replacement funding as it is no longer affordable.	Reduced flexibility to respond to schools in crisis although there will remain some contingency. More responsibility on schools to fund activity and support in these areas.	250	250
<b>Totals</b>	<b>5,264</b>			<b>1,053</b>	<b>1,053</b>

# PEOPLE - Children's Services

# 2012/13 Savings proposals

<b>Commissioner - Learning &amp; Partnership</b>					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
<b>Overall Total</b>				<b>2,671</b>	<b>2,671</b>



# PEOPLE - Children's Services

# 2013/14 Savings proposals

Commissioner - Children, Youth & Families						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
LAC & Child Agency Placements	12,945	Movement of 2.0 FTE children from a Residential placement to intensive IFA. Movement of 4.25 FTE children from intensive IFA to standard IFA. Movement of 18.0 FTE children from standard IFA to in-house fostering. Reduction of 16.15 FTE IFA placements. Reduction of 1.0 FTE disability agency placement.	Challenging but achievable target. VfM target for 13/14 was £900k but now stretched to £1.25m. However, robust implementation of VfM initiatives and Supporting Families Early Intervention strategy should result in realising these savings.	1,250	1,250	
LAC & Child Agency Placements	12,945	Additional 0.5 FTE children moved from residential placement to intensive IFA. Additional 0.75 FTE children moved from intensive IFA to standard IFA. Additional 1.30 FTE moved from standard IFA to in-house foster placement. Additional reduction of 1.20 FTE IFA placements. Additional reduction of 1.0 FTE parent & baby IFA. Additional reduction of 1.0 FTE disability agency placement.	Considerable risk that the target won't be achieved (i.e. additional 2.2 FTE placements prevented and 3.55 FTE lower cost placements/reduced placement time) even with the current resources in the delivery unit and strengthened VfM initiatives. If the delivery unit resources reduced and services recommissioned over 5%, this will result in substantial risk.	327	327	
<b>Totals</b>				<b>1,577</b>	<b>1,577</b>	

# PEOPLE - Children's Services

# 2013/14 Savings proposals

Delivery Unit - Children & Families						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
Asylum Seekers	115	Reduction in service provision to children traumatised by events in war affected countries.	No service impact.	35	35	
<b>Childcare sufficiency and quality</b> - Support new and existing childcare providers, including childminders, to provide good quality and safe childcare, advice and sustainability funding to voluntary childcare providers, ensure sufficient places for all 3 and 4 year olds.	568	Further reduce quality support for childcare providers. Further reduce funding for sustainability. (Increases two year savings to 32%).	Reduced support for childminders and out of school providers could lead to reduction in quality of Ofsted inspections for childcare providers. Less support for voluntary settings may lead to closures and less choice for parents in disadvantaged areas.	80	80	
<b>Inclusion</b> - funding to enable disabled children and young people (0-18) and children (2-4) with English as an additional language to access childcare (EMAS).	248	Review of EMAS support for English as an Additional Language children under 5 and no longer offer the ICAN (I can communicate) speech and language quality accreditation programme for childcare providers. Overall 12% reduction.	Reduction in the number of mother tongue support sessions. QTs need to be reviewed together with other DSG funded early years support.	29	29	
<b>Citywide CC costs</b> - salaries for Communications, finance, performance analyst, book start posts, parental involvement, Ad contribution), speech and language (47k), EMAS 40k, childminder drop-ins (15)	298	Implement the review of central support and centrally commissioned services for children's centres.	Will depend on the results of the review.	21	21	

# PEOPLE - Children's Services

# 2013/14 Savings proposals

Delivery Unit - Children & Families					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
<p><b>Children's Centres</b> - 5 full offer CCs in disadvantaged areas, 9 smaller gateway CCs in other areas and 5 linked sites which are not designated. Offer a universal and targeted early years services. Buildings also host other Children and Families Service</p>	2,986	Implement the outcomes of the joint review and the amended strategy for children's centres.	Statutory guidance includes a presumption against the closure of children's centres. The revised strategy would need to demonstrate that the Council is still meeting its duty to provide sufficient children's centres. There is a requirement for local authorities to notify and consult with the Department for Education about any plan to transfer, dispose of, or change the use of buildings or any other tangible fixed assets which has a current market value of more than £2,500. The consultation will need to consider the delivery of universal health services delivered from children's centres. Reductions in funding will lead to less universal services for children under 5 and their families. Reductions in the number of children's centres may make it more difficult for vulnerable families to access children's centres and lead to worse outcomes for young children.	500	500
<b>Services for</b>	5,695	Implementation of Commissioning	Implementation of the Disability	120	120

# PEOPLE - Children's Services

## Delivery Unit - Children & Families

# 2013/14 Savings proposals

Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
<b>Children with Disabilities</b>		Strategy	Commissioning Strategy will: introduce personal budgets; drive further integration across health, social care and education provision; and promote resilience of parent carers. Efficiency savings achieved by remodelling across all providers will: prioritise support to families to keep their children at home, ensure all commissioned services are value for money and develop the market to provide flexible, cost effective short break and respite care.		
<b>Youth Offending services</b>	920	10% savings equate to £92k. A full review of the service would need to be undertaken to establish where these savings can be made without an impact on statutory delivery.	There will be an impact on the non statutory work and support offered to vulnerable young people.	46	46
<b>Extended Schools - Start Up</b>	103	Restrict sustainability grants to the schemes supporting the most disadvantaged children.	Less affordable out of school childcare places for low income families.	10	10
<b>Participation</b>	110	This would have to come from delivery costs and staffing costs.	This would impact on young people in care and affect the support offered to them in terms of participation and having their voices heard. It would reduce their access onto the children	10	10

## PEOPLE - Children's Services

## 2013/14 Savings proposals

Delivery Unit - Children & Families					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
			in care council and the youth council and impact on the councils corporate parenting responsibilities.		
<b>Totals</b>				<b>851</b>	<b>851</b>

# PEOPLE - Children's Services

# 2013/14 Savings proposals

Commissioner - Learning & Partnership						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
Home to School Transport		£68K denominated transport as per committee report CMM 12/09/11.	Full consultation taking place. Equalities Impact assessment will be completed as part of consultation. If agreed some YP/families making own arrangements to get to faith schools. Financial cost to parents. No funding of transport to some children attending faith schools.	28	28	
Music & Arts Study Support	249	Saving to be met from increased fees and staff turnover.	The government grant to Local Authority music services will be reduced. This will result in a reduction for Brighton and Hove of £69k in 2013/14 and the impact of this will also need to be managed.	53	53	
<b>Totals</b>				<b>81</b>	<b>81</b>	
<b>Overall Total</b>				<b>2,509</b>	<b>2,509</b>	

## Budget Strategy for Place – Housing

### Summary

General Fund Only	Budget 2011/12 £'000	Proposed Budget 2012/13 £'000	% change	Indicative Budget 2013/14 £'000	% change
Commissioner - Housing	16,440	15,323	-6.8	14,716	-4.0
Delivery Unit - Housing & Social Inclusion	299	502	+67.9	512	2.0
Total Housing	16,739	15,825	-5.5	15,228	-3.8

### Strategic Financial Context

- National changes to welfare benefits are expected to impact on the numbers of people presenting as homeless in the city placing pressures on available accommodation and spend.
- Potential changes to benefits for those in temporary accommodation could impact in the medium term on the council's costs.
- The domestic sector in Brighton & Hove contributes 42% of our total carbon emissions per capita. There have been very significant funding reductions at national level available for private sector renewal and there is currently no private sector housing renewal capital programme for 2012/13 onwards albeit options are being explored.
- There is good evidence that spending on housing related support through the Supporting People budget helps to sustain vulnerable people living independently with positive financial benefits to children's and adult social care budgets.

### Key Changes arising from this Budget Strategy

#### In 2012/13

- There will be a small efficiency reduction in spend on Supporting People in line with the business plans previously agreed with providers
- Spend from the Preventing Homelessness Grant will be protected
- We will refocus our private sector housing renewal service on the highest priority areas, including better conditions in private rented homes, achieving additional income to cover our costs where possible and appropriate
- We will continue to use leasing to secure cost effective temporary accommodation

#### In 2013/14

- We will consult on a small efficiency reduction in spend on Supporting People in line with the business plans previously agreed with providers

## PLACE - Housing

## 2012/13 Savings proposals

Commissioner - Housing						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Supporting People	11,213	Efficiency savings.	These have already been built into business plans with providers at minimal risk.	551	551	
Preventing Homelessness	1,300	Efficiency savings.	No significant impact on planned service provision. There is a separate risk to the Council of government (CLG) claw back of Homelessness Funding of £1.3m if it is evident that the funding is not being spent on homelessness and prevention.	19	19	
		Efficiency savings achieved through staff re-organisation in Housing Commissioning.	Requires re-organisation to be completed in 2012/13.	138	138	
Temporary Accommodation	174	Increased Income from private sector leasing and reduction of spot purchase accommodation.	Increased property leasing (up to 100 homes) will be required to improve income and reduce reliance on expensive B&B. The risk of delivering on the saving will be mitigated through the creation of a Framework Agreement with private sector landlords.	230	230	



# PLACE - Housing

# 2012/13 Savings proposals

Commissioner - Housing						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Private Sector Housing Renewal	1,465	Efficiency savings achieved through staff re-organisation.	The re-organisation reflects reduced capital funding from government for private sector renewal. The reduction will reduce the capacity of the council to be pro-active in providing support to vulnerable residents. We will refocus our private sector housing renewal service on the highest priority areas, including better conditions in private rented homes, achieving additional income to cover our costs where possible and appropriate	140	140	
Hostels	198	Efficiency savings achieved through re-organising hostel services.	A combination of reductions in staffing and non-staffing budgets and proposals to increase housing benefit collection rates. The service business plan will put in place detailed risk management measures.	111	111	
<b>Totals</b>				<b>1,189</b>	<b>1,189</b>	
<b>Overall Total</b>				<b>1,189</b>	<b>1,189</b>	

# PLACE - Housing

## 2013/14 Savings proposals

Commissioner - Housing					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
Supporting People	11,213	Efficiency savings.	These have already been built into business plans with providers at minimal risk.	494	494
Preventing Homelessness	1,300	Efficiency savings.	No significant impact on planned service provision. There is a separate risk to the Council of government (CLG) claw back of Homelessness Funding of £1.3m if it is evident that the funding is not being spent on homelessness and prevention.	19	19
Temporary Accommodation	174	Increased Income from private sector leasing and reduction of spot purchase accommodation.	Increased property leasing (up to 100 homes) will be required to improve income and reduce reliance on expensive B&B. The risk of delivering on the saving will be mitigated through the creation of a Framework Agreement with private sector landlords.	150	150
Private Sector Housing Renewal	1,465	Refocus of private sector renewal service on highest priority areas, achieving additional income to cover our costs where possible & appropriate	Achievement of any additional income to cover appropriate costs is aligned to any implementation of additional HMO licensing in 2012/13	250	250
<b>Totals</b>				<b>913</b>	<b>913</b>
<b>Overall Total</b>				<b>913</b>	<b>913</b>

## Budget Strategy for Place – City Regulation and Infrastructure

### Summary

	Budget 2011/12 £'000	Proposed Budget 2012/13 £'000	% change	Indicative Budget 2013/14 £'000	% change
Commissioner - City Regulation & Infrastructure	3,153	2,998	-4.9	2,982	+0.4
Delivery Unit - City Infrastructure	24,671	21,194	-14.1	21,284	+0.5
Delivery unit - Planning & Public Protection	5,536	4,934	-10.9	4,806	-0.6
Total City Regulation & Infrastructure	33,360	29,126	-12.7	29,072	0.3

### Strategic Financial Context

- Proposed changes to the system for funding local government will mean protecting and enhancing our business rates taxbase is a high priority
- Many of these services are have a significant impact on the ongoing economic success of the city
- The council has limited capital resources and will prioritise them to ensure ongoing investment in transport, the public realm and the sustained economic development of the city
- We need to ensure that all our services are as efficient as possible, making best use of technology and changing our models of service delivery to make sure that we deliver the right outcomes for our residents at lower cost

### Key Changes arising from this Budget Strategy

In 2012/13

- There will be increased long term capital investment in transport and the public realm and less money spent from the revenue budget on preventative maintenance.
- Funding for supported bus routes will be targeted on the areas with highest priority need as part of the re-procurement of services for commencement in Autumn 2012,
- Subsidies to sports clubs will be reviewed to ensure that they are equitable
- We will prioritise the maintenance and management of public toilets and close or reduce opening hours of poorly used toilets where alternative arrangements cannot be found.

- Fees and charges will remain generally below market rates but in a number of areas will increase above inflation, including those for parking.
- We will start planning changes to our refuse and recycling rounds from Autumn 2012 to improve the efficiency of the service
- We will reduce our spend on street sweeping and closely monitor and review the impact on the cleanliness of the public realm.
- In conjunction with other authorities, we will reduce our funding to the Sussex Safer Roads Partnership in line with reductions in specific government grant for road safety
- There will be some reductions in services in Trading Standards and Environmental Health

In 2013/14

- We will continue with the strategies from 2012/13 to deliver further savings in the subsequent year
- We will continue to explore options to trial a food waste service and we are seeking external grant funding to support this.

# PLACE - City Regulation and Infrastructure 2012/13 Savings proposals

## Commissioner - City Regulation and Infrastructure

Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
City Regulation & Infrastructure – staff/revenue	265	More focused transport modelling and project support.	Reduced capacity to support transport modelling work unless funded from developer contributions.	16.0	16.0
Traffic Research including counting - revenue	14	Termination of service level agreement with East Sussex County Council and prioritisation of traffic counts supported by in-house team using Global System for Mobile Communications technology.	Requires one off capital 'spend to save' of £15k from Local Transport Plan 3 to set up Global System for Mobile Communications technology. Will seek developer contributions where possible. Potential risk to accuracy of transport modelling work.	10.0	10.0
Transport Planning – staff/revenue	190	Negotiated end of financial subsidy to Shopmobility in Churchill Square and facilitating the operation towards a self-funding Business Model and other support.	Core budget reduced to focus on allocation and spend of Local Transport Plan 3 programme.	29.0	29.0
Accident Investigation - Staff/revenue	102	Reduction in core funding and replacement with Local Transport Plan grant funding.	Core budget reduced and increased dependency on Local Transport Plan grant allocation.	10.0	10.0
Road Safety Education - staff	242	Efficiency measure to consolidate road safety education.	Consolidation will result in more focused awareness raising (including 20mph zoning) and	24.0	24.0

# PLACE - City Regulation and Infrastructure 2012/13 Savings proposals

Commissioner - City Regulation and Infrastructure					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
			require commitment from schools.		
Sussex Safer Roads Partnership – partnership contribution	184	Negotiated efficiency savings in Sussex Safer Roads Partnership commitments.	More focused Sussex Safer Roads Partnership road safety initiatives which will not increase risk above current adequacy levels.	84.0	84.0
Coast Protection - works	366	Reduction in levels of maintenance on coastal and seafront structures.	No immediate increase in current risk levels. The emerging Seafront Strategy will aim to mitigate long term asset deterioration.	55.0	55.0
Highway Maintenance – Preventative	69	Service efficiency on asset surveys and national indicators for roads.	National commitments will be met but reduces capacity to work pro-actively with SE7 authorities.	10.0	10.0
Bridges & Other Structures - works	170	Service efficiency including rescheduling of routine inspections and priority maintenance of bridges and other highway structures.	Risk levels are manageable in the short term and research will be undertaken in 2013/14 to review medium term funding options and priorities.	26.0	26.0
Public Transport – subsidised routes/staff	1,349	Re-prioritisation of public subsidy.	Unviable services with very poor patronage will be reduced or withdrawn. Negotiations with bus service providers are ongoing to restructure services to mitigate the impact on local communities	66.0	113.0

# PLACE - City Regulation and Infrastructure 2012/13 Savings proposals

Commissioner - City Regulation and Infrastructure					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
			in outlying areas. This includes managing contractual issues associated with early termination of services before September 2012.		
<b>Commissioner City Infrastructure Total</b>				<b>330.0</b>	<b>377.0</b>

# PLACE - City Regulation and Infrastructure 2012/13 Savings proposals

Delivery Unit - City Infrastructure						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Highways - Lining & Signing:	7,219	Lining maintenance takes place in residents parking zones as required (no planned maintenance) and no new lining outside these zones (except for disabled bay applications). All the current signage in the city is not replaced or maintained and there is no new signage #	Signage and lineage will become faded and will need to be reviewed at that time. Any changes to lineage and all signage will need to be funded out of capital schemes.	90.1	90.1	
Highways - Fees and Charges:		Introduction of a new method for a fairer recovery of real costs incurred for white lining across all or part of driveways. Revised fees & charges for services such as for skips, scaffolding, licenses for tables and chairs.	Appropriate communications will be required to explain the reasoning and the cost structure to local residents. The new charges reflect those made by a number of other authorities. Appropriate communications will be required to explain the reasoning and cost structure to businesses and local residents.	41.9	41.9	
Highways - Maintenance Works:		Reduce planned highway maintenance whilst retaining essential safety maintenance. Safety maintenance to be carried out using tarmac because of its cost effectiveness. Replacement of	There will be deterioration in the highway, and consideration will need to be given to future transport capital funds. No new street furniture or its replacement unless it	655.2	655.2	



# PLACE - City Regulation and Infrastructure 2012/13 Savings proposals

Delivery Unit - City Infrastructure						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
		street furniture where it prevents damage to the highway.	is needed to protect the highway.			
Highways - Illuminations:		Service prioritisation ensuring illuminations on the seafront and other high profile locations.	A potential reduction in the quality of service outside priority areas. Highway safety consideration will be risk reviewed to ensure appropriate pedestrian and, cycling and vehicle safety.	10.0	10.0	
Highways - Street Lighting:		Continue investment in street lighting to reduce energy usage and costs and allow reduced maintenance budget.	A reduction in maintenance offset by increased investment to renew outdated lamps. A further programme of investment will be considered where there is a continued business case.	120.0	120.0	
		Grit bins to be filled once per year in normal winter conditions.	Contingency budgets remain in places for severe winters allowing for repeated grit bin filling as required.	38.2	38.2	
Parking and Traffic	-12,345	Service efficiency reducing management and administrative costs.	Minimal and manageable.	50.0	50.0	
Parking and Traffic (continued)		Simplification of the parking fees and charges tariff structure, and an increase to reflect sustainable transport objectives.	Anticipated increase in parking revenue, potential reduction in demand for spaces, potential reduction in car generated pollution.	1243.0	1243.0	
CityClean	22,897	Improved service efficiencies	Current service levels i.e. weekly refuse collections and current recycling collection frequencies	199.0	250.0	

# PLACE - City Regulation and Infrastructure 2012/13 Savings proposals

Delivery Unit - City Infrastructure					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
			retained. Substantial service reorganisation which will entail service disruption. Measures to reduce disruption will be put in place		
		Reduce the graffiti removal service	A reduction to 5 day working rather than 7 day working with a potential risk of deterioration in the public realm.	32.0	32.0
		Re-prioritise the street cleaning and gully cleansing service	There is a risk of deterioration in the public realm and service adjustments will be made to try and mitigate the risk	405.5	405.5
		Service efficiency reducing management and administrative costs.	Minimal and manageable.	87.9	87.9
		Rationalisation of public toilet provision to reflect public use and prioritise resources where demand is most evident.	Hove Cemetery North Side to close and Hove Cemetery Southside accessible toilet to remain open. Hove Recreation ground toilets to close but Rugby Club have own toilets for fixtures. Aldrington Recreation Ground toilets to close and an accessible toilet on Saxon Road nearby kept opened. Norton Road to close during the week and toilet in Hove Town Hall to be used as an alternative. Victoria	138.0	138.0

# PLACE - City Regulation and Infrastructure 2012/13 Savings proposals

Delivery Unit - City Infrastructure						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
			Recreation Ground to close and toilets in the pavilion to be used for fixtures and public toilets on Victoria Road opposite the playground to be used. Adjustments in attendants at other toilets. Attendant levels will be adjusted at some of the other toilets which remain open.			
Waste PFI		The Waste PFI is a 30 year joint arrangement with ESCC worth £.1bn, there is an assumed reduction in this budget partly due to additional income and partly due to reductions in waste tonnages.	This is achievable without service impact however there will ongoing negotiations in relation to sharing of income from electricity.	400	400	
CityParks	5,673	Revised charges for the provision of changing rooms for cricket & football to better reflect costs of cleaning and maintenance.	This will result in higher charges for some, but they should be fairer and more consistent across sports. Appropriate communications will be required to explain the reasoning and prioritisation to sports clubs and community associations.	22.3	22.3	
		Cost reduction from letting contract for Hove Pitch and Put.	Minimal and manageable.	5.6	5.6	
		Reduce the historic public subsidy for allotment holders by 50% but retain 25% concessions for those on low	The remaining 50% subsidy will be removed in 2013-14. Appropriate communications will be required to	30.5	61.5	

# PLACE - City Regulation and Infrastructure 2012/13 Savings proposals

Delivery Unit - City Infrastructure						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
		incomes and the elderly	explain the reasoning to allotment holders and local residents noting that demand for allotments remains very strong.	17.8	17.8	
		Donations made by residents and visitors for trees and benches to cover the full costs of these items	Minimal and manageable.			
		Reduction in management costs	Minimal and manageable.	30.0	30.0	
		Brighton In Bloom will be provided with one off transitional funding, to enable them to reconfigure for the future.	The on going budget saving is for 30k and one off funding of 25k for 12/13 will help to reconfigure into a group with a sustainable independent future. Thus the saving is 5k Appropriate communications with groups and advice and support will be given where possible.	30.0	30.0	
<b>Delivery Unit City Infrastructure Total</b>				<b>3647.0</b>	<b>3729.0</b>	

# PLACE - City Regulation and Infrastructure 2012/13 Savings proposals

Delivery Unit - Planning and Public Protection						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Development Control	978	Reduction in stationery and reprographics spend as a consequence of ICT migration project and a move to electronic working.	Positive benefit of ICT migration project; ICT implementation is the key risk; need to ensure this hits key deadlines	6.0	6.0	
		Deletion of Business Process Officer post x 1FTE	Low risk as long as ICT migration hits key deadlines	26.0	26.0	
		Reduction in expenditure on senior posts in the Development Control service.	Re-distribution of management responsibilities	59.0	88.0	
Planning Policy	1,416	Delete Local Development Framework Project Manager (M10)	Programme for City-wide Plan managed across the wider team.	45.0	45.0	
		Reduction in non statutory work and support services	Focus on core aspects of statutory service including delivery of Citywide Plan.	31.5	43.0	
Building Control	140	£20K from Ordnance Survey contract budget		20.0	20.0	
		Delete vacant Building Control Surveyor posts	Workload spread across wider team	28.7	28.7	
Trading Standards	586	Reduce initiatives budget by £15k	Reduction in pro-active work e.g. under-age sales	15.0	15.0	
		Reduce consultants fees by £14K	Reduced capacity for specialist food and metrology inspections	14.0	14.0	

# PLACE - City Regulation and Infrastructure 2012/13 Savings proposals

Delivery Unit - Planning and Public Protection					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
		Reduction in number of posts in the Trading Standards Team	Reduces the pro-active capacity of the team.	17.3	34.6
Environmental Health & Licensing	1,881	Delete vacant Technical Support Officer post (Sc5). Increase fees for rats and mice treatment to £50 (income £50k) = 3%. Modernise street trader and personal licence IDs (£5k). Contaminated land searches (£5k) (1%).	Re-distribution of TSO responsibilities, lower risk Advantage - standardise charge and remains good value for money. Residents with limited incomes could be discouraged from using service. Mitigating measures; investigation service for drainage, refuse and pest problems.	21.0	21.0
<b>Planning &amp; Public Protection Total</b>				<b>343.5</b>	<b>401.3</b>

## PLACE - City Regulation and Infrastructure 2012/13 Savings proposals

<b>Major Projects</b>						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
EDR Capital Projects Team	318	Rationalisation of the Major Projects' service and incorporation of priority projects into Planning Policy, Economic Development and Property portfolios	Fewer revenue resources to deliver regeneration projects of city-wide significance.	90.1	159.5	
<b>Major Projects Total</b>				<b>90.1</b>	<b>159.5</b>	
<b>Overall Total</b>				<b>4410.6</b>	<b>4666.8</b>	

# PLACE - City Regulation and Infrastructure 2013/14 Savings proposals

Delivery Unit - City Infrastructure						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
Parking & Traffic	-12,345	Efficiency saving based on review of the enforcement contract and the potential to terminate the vehicle pound earlier.	Subject to negotiation with NSL Services Group (previously NCP) and regarded as low risk.	40.0	40.0	
<b>Parking &amp; Traffic Total</b>	<b>-12,345</b>			<b>40.0</b>	<b>40.0</b>	
CityParks	5,673	Rationalise public subsidy to bowling greens and encourage more resilient long term funding solution reflecting patronage compared to other subsidised recreation facilities.	Managed over 24 months from notification in 2011/12, the Council will work with clubs across the city to help them establish a more resilient financial footing.	93.8	93.8	
		Rationalise public subsidy to cricket facilities and encourage more resilient long term funding solution reflecting patronage compared to other subsidised recreation facilities.	Managed over 24 months from notification in 2011/12, the Council will work with clubs across the city to help them establish a more resilient financial footing.	7.8	7.8	
		Replace bedding plants with perennial planting except at Old Steine and Floral Clock	Savings can only be realised in 13/14 as current funding would be needed to convert beds to perennials.	85.2	85.2	
<b>CityParks Total</b>	<b>5,673.0</b>			<b>186.8</b>	<b>186.8</b>	
<b>Delivery Unit City Infrastructure Total</b>				<b>226.8</b>	<b>226.8</b>	
<b>Overall Total</b>				<b>226.8</b>	<b>226.8</b>	



## Budget Strategy for Resources & Finance

### Summary

	Budget 2011/12 £'000	Proposed Budget 2012/13 £'000	% change	Indicative Budget 2013/14 £'000	% change
Delivery Unit - City Services (excl Libraries)	7,608	6,718	-11.7	6,199	-7.7
Resources & Strategic Leadership Board	19,752	19,251	-2.5	18,345	-4.0
Finance	5,534	5,173	-6.5	5,091	-1.8
Total	32,894	31,142	-5.3	29,635	-4.4

### Strategic Financial Context

- There are major changes arising to the Benefits service as a result of the introduction of Universal Credit and the proposals for localisation of support for council tax
- The council taxbase is being adversely affected by increases in student numbers and single person discounts with limited growth in new homes, however collection performance overall is good
- Proposed changes to the system for funding local government will mean the risks in relation to business rates collection and financial planning will be very different from 2013/14
- The Localism Act will significantly change the working arrangements of some Resources teams notably Legal and Democratic Services, Property and Design.
- Key elements of the council's transformation programme including Value for Money, Working Smarter and Improving the Customer Experience are driven corporately by Resources and Finance staff and are complex to deliver
- The scale of organisational change driven by the whole of the budget strategy will place significant demands on all of our support services
- Savings in support services can at times simply push work and costs to other parts of the organisation or result in increased reliance on potentially more expensive external advisors and consultants

### Key Changes arising from this Budget Strategy

In 2012/13

- Better procurement from our Value for Money Programme will deliver savings both across the organisation and within central services, particularly ICT and property.

- There will be further implementation of the Workstyles programme to facilitate staff mobility to improve front-line services, and reduce our office accommodation, ICT equipment and carbon emissions
- We will rationalise ICT applications to reduce overall costs
- We will consolidate all of our property asset management into a single centralised corporate landlord function and deliver efficiency savings through economies of scale and better planning and coordination
- There will continued efficiency savings across corporate support services including further centralisation while retaining the capacity to support transformation across the council
- There will be reductions in the benefits service to compensate for the loss of Housing Benefit Administration grant from central government
- We will increase our income in the Life Events area by increasing charges and developing new paid for services
- We will increase our income through the provision of shared services, particularly by finance
- Ongoing development of our core finance and HR systems will lead to efficiency savings within central services from lower transaction costs and more employee and manager self-service

#### In 2013/14

- We will continue with the strategies from 2012/13 which will deliver further savings in the subsequent year, in particular further and faster property rationalisation
- We will improve our business rates collection performance when this is localised
- We will look at consolidating all our debt collection activities to achieve efficiencies and marginal improvements in performance
- We will need to achieve a 10% reduction in spend on council tax benefit (£2.6m) following the localisation of the scheme and national funding reductions. We are required to protect pensioners and other vulnerable groups and at the same time support incentives to work aligned to Universal Credit.
- We will look at all opportunities to share services with partners across the City and beyond.
- We will look to accelerate the remaining Workstyles programme.

# RESOURCES & FINANCE

## 2012/13 Savings proposals

Delivery Unit - City Services						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Benefits-Statutory service administering the payment of Housing and Council Tax Benefit. Service also includes recovery of overpayments and investigations into fraud.	3,955	Reduce the cost of the Benefits service in line with reduction in grant from the Department of Work and Pensions	Costs reduced in line with grant as planned	257	257	
Revenues-Statutory service administering the collection of Council Tax and National Non Domestic Rates. Service also includes recovery, inspectors and bailiffs.	1,228	Increase council tax collection by 0.1%	This is in line with current performance. However further increases are unlikely in 2013/14 because of the government's proposed changes to council tax benefits.	125	125	
Life Events-Bereavement Services, Registration Services Statutory service providing registration of births, deaths and marriages and weddings and ceremonies and Electoral Services Life Events-Local Land Charges Statutory service to provide residents and businesses with accurate information on the restrictions on pieces of land within the city.	1,293	Restructure teams within the Life Events service	This should provide more flexible and responsive services and potential additional income	60	60	
		Review of fees and charges in Bereavement Services and Register Office.	Detailed proposals on fees and charges will be presented to Cabinet. Many of the charges are significantly below those charged by other authorities and have not been increased in recent years in line with rising costs.	85	85	
		Develop woodland burial site in west of city	This will require some investment but will provide greater choice and meet demand that we consider to	65	65	

# RESOURCES & FINANCE

## 2012/13 Savings proposals

Delivery Unit - City Services						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
			already exist in the city.			
		Move towards self service for personal land charge searches	Minimum investment required to enhance the system. To go hand in hand with the restructure described above	23	23	
		Reorganise Registration Service resources to optimise income generation	There will be more limited access times for the genealogy service but improved service for other aspects of registration, generating a higher income.	46	46	
		Withdraw ceremony room facility in Hove Town Hall	Hove Town Hall not available as a ceremony room. Other venues are available in Hove	9	9	
	1,530	Move towards self service in customer service centres in Brighton & Hove	Channel shift will result in the reduction of half a post for 2012/13 and 2013/14	15	15	
Access Services-Customer Services Provides a number of key front line services to the Council's customers including: Customer Service Centre at Bart's House, City Direct at Hove Town Hall, and Main Switchboard & Receptions at the main Civic buildings - BTH, HTH and Kings House. Team also administers Concessionary Travel (statutory service).						
<b>Totals</b>				<b>685</b>	<b>685</b>	

## RESOURCES & FINANCE

## 2012/13 Savings proposals

ICT						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
ICT-Provides ICT services, support and development across the Council, Councillors and schools.	5,065	Restructure of management and support services and explore opportunity for sharing services with partners in 13/14.	This change will support the ongoing transformation of the Council	51	51	
		Review and upgrade telephony services across the Council.	Reduction in Centrex line and cheaper methods of aggregating mobile/fixed call costs through infrastructure upgrade	110	110	
		Reduced cost of records storage following recruitment of Records Manager establishing standards for retention and storage	Reduced cost of records storage following recruitment of Records Manager establishing standards for retention and storage	11	11	
		Reduction in applications which hold repeating/similar data records.	Results in reduced licensing, support and maintenance charges. Consolidation of category spend delivering economies of scale through better procurement. Saving level based upon desk-top audit of budgets across the Council. There is a	160	160	

# RESOURCES & FINANCE

# 2012/13 Savings proposals

ICT						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
		<p>risk that the number of budgets that can be consolidated is less than that predicted.</p> <p>Reduced mobile voice services to staff supporting flexible working arrangements</p>	<p>30% reduction in mobile phones, blackberry devices, 3G data cards achieved through a rigorous review of who has devices based on business need</p>	22	22	
		<p>Reduced ICT technical support and development across the Council, Councillors for critical services</p>	<p>Reduce out-of-hours ICT on call. There will be some minor reduction of service</p>	10	10	
		<p>Review printing functions to business services</p>	<p>Introduce quotas on colour and Black &amp; White printing to reduce print volume by 10%. Risk that adoption of electronic media is not widely adopted</p>	8	8	
<b>Totals</b>				<b>372</b>	<b>372</b>	

# RESOURCES & FINANCE

## 2012/13 Savings proposals

Legal & Democratic Services						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Legal & Democratic Services-Provides legal, constitutional and Monitoring Officer support to the Council. Supports the democratic decision making process, Member development, administration of Members allowances. Supports the Council's Overview and Scrutiny function	2,396	Legal Services - Deletion of vacant part-time lawyer post in Property, Reorganisation savings of Major Projects & Property, Delete vacant hours in Environment Team, Reduce budget available for Head of Law Support	Some delay in processing transactions mainly conveyancing. There will be a need to re-structure and move some workload so this is a part-year saving; the rest of savings being shown in 2013/14	27	27	
		Democratic Services- restructuring of support to Member administration, development and administration. Scrutiny-Review income streams from HRA and PCT to ensure support costs to these areas are fully recovered	Possible reduced level of administration support to Members, but offset by restructuring ways of working. This is a part year effect while the re-structure is undertaken. Scrutiny-Review income streams from HRA and PCT to ensure support costs to these areas are fully recovered	16	16	
		Further reduction in Legal & Democratic Services	This saving proposes stopping or significantly reducing legal and/or administrative support for non-decision-making meetings (such as Community Safety Forum,	30	30	

# RESOURCES & FINANCE

## 2012/13 Savings proposals

Legal & Democratic Services						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Members Allowances-This budget is used to pay basic and special allowances, transport and other expenses such as childcare related to approved duties	1,094	Projected saving of £23K based on the current recommendations of the Independent Remuneration Panel (IRP)	Staff Consultation Forum, and Tenant Participation etc.) There is likely to be some transfer of costs to services responsible for these functions. The level of property law and litigation support will also be further reduced because the cumulative effect of all the savings leaving the council at some risk of legal challenge.	23	23	
Civic Mayors Office	143	Mayors Office	Mayors office reduction of non pay budgets	10	10	
<b>Totals</b>				<b>112</b>	<b>112</b>	



# RESOURCES & FINANCE

## Policy, Performance & Analysis

# 2012/13 Savings proposals

Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
<p>Policy Development-Discretionary but supports statutory outcomes. Supports the city council to achieve its aims as set out in the Corporate Plan and Sustainable Community Strategy. The team supports the Leader of the Council, Cabinet Members and senior officers in the effective management of the Cabinet and its decision making processes.</p> <p>Sustainability, Performance, Analysis and Research-Discretionary but supports statutory outcomes. Provides professional advice in all aspects of sustainability and environmental management.</p>	362	Reduced rate for LGA membership	The LGA have offered a reduced rate based on timely payment of the subscription	18	18
<p>Policy Development</p>	656	Reduction in staff development, IT system development and the delivery of special initiatives,	Reduction in staff development, IT system development and the delivery of special initiatives.	9	9
<p>Policy Development</p>	Included above	Policy Development Team is able to offer one senior support officer post that is currently vacant.	The funding from the post is used to support the LSP/PSB. Its removal will significantly reduce the support to these groups and general partnership development. Additionally, the funding other partners provide in this area is also under threat and if we lose this as well support for the partnership groups will cease.	25	25

# RESOURCES & FINANCE

## Policy, Performance & Analysis

# 2012/13 Savings proposals

Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
<b>Totals</b>				52	52

# RESOURCES & FINANCE

# 2012/13 Savings proposals

Property Services						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Property Services-Mainly statutory property services - Asset Management Plan and statutory Corporate Property Officer.	3,881	The completion of the existing Workstyles Phase 1 programme	This is the saving from final implementation of Workstyles Phase 1, in particular the vacating of Priory House and the consequent reduction in buildings and energy costs. Part of the saving was achieved in the 2011-12 budget.	200	200	
		The implementation of a new Phase 2 of the Workstyles programme	Detailed plans will be brought to Cabinet (December 2011). In total this phase is expected to reduce buildings by approximately 10 consisting of the closure & sale of freehold buildings and vacation of leasehold properties & relocating services. This generates cost savings and carbon reduction. The saving here is shown both net of the investment costs required to deliver the saving and is only a part saving due to the long lead in times for such a complex project.	70	70	
		Implementation of Corporate Landlord	There will be economies of scale on reactive maintenance, smart	45	45	

# RESOURCES & FINANCE

## 2012/13 Savings proposals

Property Services						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
		model	procurement, following a risk assessment of service level. This saving covers existing Property & Design budgets and consolidated spend. Further decisions will be required to appropriate land and buildings corporately from previous service ownership			
		Procurement of corporate contracts - reduced specification for waste, security and cleaning.	The scope of the contracts will be expanded to include other corporate buildings not already part of these contracts and not currently benefitting from the economies of scale. The specification will contain reduced frequencies e.g. bin collections or office cleaning which would have a particular impact on Workstyles where cleanliness of desks is important and this would need to be carefully managed.	35	35	
		Additional income -	Additional income - Increase building surveying team to increase capacity to undertake projects and fee earning capacity for works that would otherwise go to external consultants. This is	10	10	

# RESOURCES & FINANCE

## 2012/13 Savings proposals

Property Services					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
			dependent on a continued volume of work being available with the internal team being the preferred provider.		
<b>Totals</b>				<b>360</b>	<b>360</b>

## RESOURCES & FINANCE

## 2012/13 Savings proposals

Communications						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Communications- promoting Brighton & Hove City Council-informing residents, increasing community engagement and improving access to services	344	Review of printing services and print volumes across the Council Reduction in staff working hours in Graphic Design team	There may be risks associated with the accurate identification of need and implementation of cultural change There will be reduced capacity- should be able to cover current level of workload.	17	17	
<b>Totals</b>				<b>30</b>	<b>30</b>	

# RESOURCES & FINANCE

## 2012/13 Savings proposals

### Human Resources & Organisational Development

Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
<b>Totals</b>	<b>0</b>			<b>0</b>	<b>0</b>

### Strategic Leadership Board

SLB/Chief Executive	1,270	SLB/Chief Executive	Eliminate consultancy budget and take 20% of supplies and services budget. Pay sacrifice	39	39
<b>Totals</b>				<b>39</b>	<b>39</b>

## RESOURCES & FINANCE

## 2012/13 Savings proposals

FINANCE						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Internal Audit-Provides Internal Audit services including risk management, anti fraud and corruption work.	incl. below	We will restructure Internal Audit in order to better position the service for the demands placed on it and explore sharing specialist services such as fraud and ICT audit with other authorities.	These changes should enable the service to respond effectively to the demands placed on it.	25	25	
Finance overall-Includes Financial Services, Strategic Finance & Procurement and Internal Audit	5,553	We aim to achieve savings through the provision of shared services, building on our existing track record.	This would enable management and overhead costs to be offset by additional income and therefore reduce the budget without compromising our ability to provide adequate finance support to the organisation.	120	120	
Audit fees	incl. above	The 2012/13 fee proposals would result in a small budget saving. A further 10% saving has been assumed on the scale fee from 2013/14	Audit fees are set by the Audit Commission at national rates. We have minimal ability to influence the fee rates other than to ensure we are not billed extra for not meeting audit requirements. The 2012/13 fee proposals would	10	10	



# RESOURCES & FINANCE

# 2012/13 Savings proposals

FINANCE						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Financial Services	incl. above	<p>based on the Audit Commission's externalisation and retendering exercise.</p> <p>We will improve the efficiency of Creditor payments</p> <p>We will continue to improve the efficiency of the accountancy service.</p>	<p>result in a small budget saving. A further 10% saving has been assumed on the scale fee from 2013/14 based on the Audit Commission's externalisation and retendering exercise.</p> <p>Current benchmarking indicates we are average cost. We aim to be lowest quartile in terms of cost over two years.</p> <p>We can make some savings following the introduction of International Financial Reporting standards which significantly increased our workload (albeit mainly supported through one-off monies). Our investment in e learning packages and systems development mean we can drive further efficiency savings. We will reduce our subscriptions to benchmarking and technical support advice. We are already lowest quartile in terms of cost of this service.</p>	20	30	
				30	30	

# RESOURCE & FINANCE

# 2012/13 Savings proposals

<b>FINANCE</b>						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
<b>Totals</b>				205	205	
<b>Overall Total</b>				<b>1,855</b>	<b>1,855</b>	

# RESOURCES & FINANCE

## 2013/14 Savings proposals

Delivery Unit - City Services						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
Benefits-Statutory service administering the payment of Housing and Council Tax Benefit. Service also includes recovery of overpayments and investigations into fraud.	3,955	Reduce the cost of the Benefits service in line with reduction in grant from the Department of Work and Pensions	Costs reduced in line with grant as planned	300	300	
Revenues-Statutory service administering the collection of Council Tax and National Non Domestic Rates. Service also includes recovery, inspectors and bailiffs.	1,228	Increase council tax collection by 0.1% (potential to increase to 0.2%).	From 2013/14 new CTB will be introduced so cannot commit to increasing further for year 2	New CTB	New CTB	
Life Events	1293	Increase business rate collection	Some investment will be required but this will be more than offset by improved collection. The target is relatively modest at this stage.	200	200	
		Develop woodland burial site in west of city	This will require some investment but will provide greater choice and meet demand that we consider to already exist in the city.	98	98	
		Move towards self service for personal land charge searches	Minimum investment required to enhance the system. To go hand in hand with the restructure described above	15	15	
		Reorganise Registration Service resources to optimise	There will be limited access times for the statutory certificate search but improved service for other	25	25	

# RESOURCES & FINANCE

## 2013/14 Savings proposals

Delivery Unit - City Services						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
Access Services-Customer Services Provides a number of key front line services to the Council's customers including: Customer Service Centre at Bart's House, City Direct at Hove Town Hall, and Main Switchboard & Receptions at the main Civic buildings - BTH, HTH and Kings House. Team also administers Concessionary Travel (statutory service).	1,530	income generation Move towards self service in customer service centres in Brighton & Hove	aspects of registration, generating a higher income. Channel shift will result in the reduction of half a post for 2012/13 and 2013/14	15	15	
<b>Totals</b>				<b>653</b>	<b>653</b>	<b>653</b>

## RESOURCES & FINANCE

## 2013/14 Savings proposals

ICT						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
ICT-Provides ICT services, support and development across the Council, Councillors and schools.	5,065	Restructure of management and support services and explore opportunity for sharing services with partners in 13/14.	This change will support the ongoing transformation of the Council	80	80	
		Review and upgrade telephony services across the Council.	Reduction in Centrex line and cheaper methods of aggregating mobile/fixed call costs through infrastructure upgrade	41	41	
		Reduction in applications which hold repeating/similar data records.	Results in reduced licencing, support and maintenance charges. Consolidation of category spend delivering economies of scale through better procurement. Saving level based upon desk-top audit of budgets across the Council. There is a risk that the number of budgets that can be consolidated is less than that predicted.	220	220	
		Review licensed Microsoft platforms, tools and software products	Reduction in desktop/server licenses resulting from Workstyles. Dependent on successful delivery of Workstyles	49	49	

# RESOURCES & FINANCE

## 2013/14 Savings proposals

ICT						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
		Reduced mobile voice services to staff supporting flexible working arrangements	Phase 2. 30% reduction in mobile phones, blackberry devices, 3G data cards achieved through a rigorous review of who has devices based on business need	12	12	
		Review printing functions to business services	Introduce quotas on colour and Black & White printing to reduce print volume by 10%. Risk that adoption of electronic media is not widely adopted	8	8	
<b>Totals</b>	<b>5,065</b>			<b>410</b>	<b>410</b>	

# RESOURCES & FINANCE

## 2013/14 Savings proposals

Legal & Democratic Services						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
Legal & Democratic Services-Provides legal, constitutional and Monitoring Officer support to the Council. Supports the democratic decision making process, Member development, administration of Members allowances. Supports the Council's Overview and Scrutiny function	2,396	Legal Services - Deletion of vacant part-time lawyer post in Property, Reorganisation savings of Major Projects & Property, Delete vacant hours in Environment Team, Reduce budget available for Head of Law Support  Democratic Services- restructuring of support to Member administration, development and administration. Scrutiny-Review income streams from HRA and PCT to ensure support costs to these areas are fully recovered	Completion of re-structure  Completion of re-structure  Scrutiny-Review income streams from HRA and PCT to ensure support costs to these areas are fully recovered	30  16  6	30  16  6	
<b>Totals</b>				<b>52</b>	<b>52</b>	

# Policy, Performance & Analysis

Civic Mayors Office	143	Mayors Office	Reductions in non pay budget	5	5
<b>Totals</b>				<b>5</b>	<b>5</b>

## RESOURCES & FINANCE

## 2013/14 Savings proposals

Property Services					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
Property Services-Mainly statutory property services - Asset Management Plan and statutory Corporate Property Officer.	3,881	The implementation of a new Phase 2 of the Workstyles programme	Detailed plans will be brought to Cabinet (December 2011). In total this phase is expected to reduce buildings by approximately 10 consisting of the closure & sale of freehold buildings and vacation of leasehold properties & relocating services. This generates cost savings and carbon reduction. The saving here is shown both net of the investment costs required to deliver the saving and is only a part saving due to the long lead in times for such a complex project.	200	200
		Implementation of Corporate Landlord model	There will be economies of scale on reactive maintenance, smart procurement, following a risk assessment of service level. This saving covers existing Property & Design budgets and consolidated spend. Further decisions will be required to appropriate land and buildings corporately from previous service ownership	65	65



# RESOURCES & FINANCE

## 2013/14 Savings proposals

Property Services					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
		Procurement of corporate contracts - reduced specification for waste, security and cleaning.	The scope of the contracts will be expanded to include other corporate buildings not already part of these contracts and not currently benefitting from the economies of scale. The specification will contain reduced frequencies e.g. bin collections or office cleaning which would have a particular impact on Workstyles where cleanliness of desks is important and this would need to be carefully managed.	55	55
		Additional income -	Additional income - Increase building surveying team to increase capacity to undertake projects and fee earning capacity for works that would otherwise go to external consultants. This is dependent on a continued volume of work being available with the internal team being the preferred provider.	15	15

# RESOURCES & FINANCE

## 2013/14 Savings proposals

<b>Property Services</b>						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
		Closure of buildings	Closure of buildings - Revenue savings resulting from the closure of Portslade Civic Offices as part of the Portslade Town Hall site redevelopment. Proposals were agreed by Cabinet in March 2011. There is a risk that the site may not successfully be disposed.	40	40	
		Closure of buildings	Closure of buildings - Revenue savings from the targeted closure of operational buildings where similar facilities area available locally. There is a risk of service loss, vacant building subject to vandalism and bad appearance if the buildings cannot be swiftly disposed.	40	40	
<b>Totals</b>				<b>415</b>	<b>415</b>	<b>415</b>

# RESOURCES & FINANCE

# 2013/14 Savings proposals

<b>Communications</b>						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
Communications- promoting Brighton & Hove City Council-informing residents, increasing community engagement and improving access to services	344	Review of printing services and print volumes across the Council	Accurate identification of need and implementation of cultural change	26	26	
<b>Totals</b>				<b>26</b>	<b>26</b>	<b>26</b>
<b>Human Resources &amp; Organisational Development</b>						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
Human Resources & Organisational Development- Provision of Core HR Services to include: HR Management Team, HR Admin, HR Advice & Guidance, HR Business Partnering and Strategic support to Pay, Policy and Reward	4,203	Through service redesign following and completion of self service.	This saving will be achieved through service redesign following systems thinking and completion of self service. It will provide a saving of £228k and in addition cover the current service overspend of £300k. The resultant cost reduction of £528k represents 12% against the current budget.	228	228	
<b>Totals</b>				<b>228</b>	<b>228</b>	<b>228</b>

# RESOURCES & FINANCE

# 2013/14 Savings proposals

Strategic Leadership Board					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
SLB/Chief Executive	1,270	SLB/Chief Executive	Eliminate consultancy budget and take 20% of supplies and services budget. Pay sacrifice	10	10
<b>Totals</b>				<b>10</b>	<b>10</b>

## RESOURCES & FINANCE

## 2013/14 Savings proposals

FINANCE					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
Internal Audit-Provides Internal Audit services including risk management, anti fraud and corruption work.	incl. below	We will restructure Internal Audit in order to better position the service for the demands placed on it and explore sharing specialist services such as fraud and ICT audit with other authorities.	These changes should enable the service to respond effectively to the demands placed on it.	25	25
Audit fees	incl. above	The 2012/13 fee proposals would result in a small budget saving. A further 10% saving has been assumed on the scale fee from 2013/14 based on the Audit Commission's externalisation and retendering exercise.	Audit fees are set by the Audit Commission at national rates. We have minimal ability to influence the fee rates other than to ensure we are not billed extra for not meeting audit requirements. The 2012/13 fee proposals would result in a small budget saving. A further 10% saving has been assumed on the scale fee from 2013/14 based on the Audit Commission's externalisation and retendering exercise.	30	30
Financial Services	incl. above	We will improve the efficiency of Creditor	Current benchmarking indicates we are average cost. We aim to	20	20

# RESOURCES & FINANCE

## 2013/14 Savings proposals

FINANCE		Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
Service (including brief description)			payments	be lowest quartile in terms of cost over two years.		
			We will improve the efficiency of debt collection across the council	We would explore further centralisation of debt collection across the council to try and achieve both staffing efficiencies and also improved consistency and best practice. The savings on collection performance would be more important than the direct savings on staffing efficiencies and so there would need to be a carefully managed transition to guard against costly deterioration of performance.	50	50
			We will continue to improve the efficiency of the accountancy service.	We can make some savings following the introduction of International Financial Reporting standards which significantly increased our workload (albeit mainly supported through one-off monies). Our investment in e learning packages and systems development mean we can drive further efficiency savings. We will reduce our subscriptions to	70	70

# RESOURCE & FINANCE

# 2013/14 Savings proposals

FINANCE					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
			benchmarking and technical support advice. We are already lowest quartile in terms of cost of this service.	195	195
<b>Totals</b>				<b>195</b>	<b>195</b>
<b>Overall Total</b>				<b>1,994</b>	<b>1,994</b>

## Budget Strategy for Communities

### Summary

	Budget 2011/12 £'000	Proposed Budget 2012/13 £'000	% change	Indicative Budget 2013/14 £'000	% change
Commissioner - Communities & Equalities	2,993	2,925	-2.3	2,954	1.0
Community Safety	2,114	2,132	+0.9	2,175	+2.0
Commissioner - Sports & Leisure	1,387	1,267	-8.7	1,262	-0.4
Commissioner - Culture	1,852	1,860	+0.4	1,897	+2.0
Delivery Unit - Tourism & Leisure	3,704	3,196	-13.7	2,847	-10.9
Delivery Unit City Services - Libraries	5,635	5,524	-2.0	5,582	+1.0
Total	17,685	16,904	-4.4	16,717	-1.1

### Strategic Financial Context

- The individual and overall budgets are relatively small but their city wide reach is significant and in some areas further savings would mean stopping some activity altogether rather than simply reducing it
- Getting the balance right between income and expenditure for these services is crucial to their success. There are significant income streams supporting our culture, tourism and leisure activities which we need to sustain and grow where possible
- For services that contribute to the economic success of the city such as tourism, longer term business and financial planning is essential
- Other sources of funding for culture in particular are reducing at the same time as the Council's budgets e.g. Arts Council, Heritage Lottery Fund
- There are reductions in funding from a range of sources other than the council which are affecting the resilience of community and voluntary organisations in Brighton & Hove
- The commitment to empowering communities and neighbourhoods will mean a shift in how the council spends its money
- There has been a significant reduction in specific grant funding from central government available for community safety and our provision needs respond to this, targeting our resources at those interventions that have the best outcomes



- An emphasis on tackling inequality and neighbourhoods presents great opportunities that stretch current funding

## **Key Changes arising from this Budget Strategy**

### In 2012/13

- The investment made in the King Alfred Leisure centre and the new sports facilities contract mean we can spend less on sport while delivering the same outcomes
- Our Visit Brighton service will operate on commission rather than a flat rate fee
- We will increase our income to the Royal Pavilion as a result of current visitor levels being higher than predicted from successful marketing and ticketing strategies and through making fees and charges more tax efficient
- We plan to generate additional income on the seafront as a result of the investment in the Wheel and marketing of the Peter Pan site
- We will make changes to library opening hours to ensure there is equitable provision across the city and amend the way staff work accordingly
- We will review our security arrangements by linking into corporate contracts
- We will review how to make the most of Preston Manor
- We will refocus our community development work on the most deprived areas and to support our commitment to better engagement with communities
- We will protect front line community safety services by working even more closely with colleagues in the police service

### In 2013/14

- We will continue with the strategies from 2012/13 which will deliver further savings in the subsequent year
- A range of family intervention projects across the council will be consolidated to improve efficiency while sustaining or improving the outcomes for the most vulnerable
- The expensive mobile library service will stop in order to protect our overall library service offer
- A range of community engagement activity across the council will be consolidated to improve efficiency
- We will introduce new box office and ticketing arrangements at our venues that will be more efficient
- We will reprovide our Visitor Information Services in the most effective locations
- We will embed changes at Preston Manor and extend the review to the Booth Museum

# COMMUNITIES

## 2012/13 Savings proposals

Commissioner - Sports						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Sports Facilities	810	Reduce expenditure across all sites in the sports facilities contract in respect of council responsibilities for the facilities. This budget was originally set prior to the commencement of the operation with Freedom Leisure with funding generated from the tendering of the contract. During the first year of operation, it has been possible to identify this reduction.	The service impact should be minimal although there is always the risk of major unforeseen expenditure required for any facility.	90	90	
Sports Development Fund	100	Reduce expenditure on sports development initiatives which assist with creating opportunities for people to participate in sport and physical activity.	A reduction in funding will mean the number and level of funding for such initiatives has been prioritised, with support continuing for such important events as the Takepart Festival of Sport. External funding will be sought to mitigate the impact but access to such funding is limited with the consequent risk it may not be achieved.	50	50	
<b>Totals</b>				<b>140</b>	<b>140</b>	

# COMMUNITIES

## 2012/13 Savings proposals

Commissioner - Communities and Equalities						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Equalities	199	Access Manager Post - deletion of currently vacant post.	Partnership working with the community and voluntary sector will continue, additionally, the equalities team and other strategic posts will receive disability equality training and updates and will cover the work as required.	15	15	
Equalities	200	Cut 8-13 years pilot initiatives budget introduced in 2011-12 - projects funded should now move to mainstream provision if they can demonstrate they meet priority outcomes.	The pilot activity is due to end in October 2012 and there are no commitments of the funding beyond this date. As a result this budget will be reduced in order to protect core funding of mainstream youth service provision.	200	200	
<b>Totals</b>				<b>215</b>	<b>215</b>	

# COMMUNITIES

## 2012/13 Savings proposals

Delivery Unit - Tourism and Leisure						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Visit Brighton	1,278	Moving Visit Brighton to model of delivery working on commission rather than flat fee membership rate, with the general agreement of local stakeholders and partners.	Income may fluctuate in line with variable booking patterns. Income is banked at point of delivery not booking. Gap can be up to 5 years.	50	50	
Seafront Properties	-1,196	Income from additional rental income from seafront properties based on income from the Wheel and marketing of Peter Pan site.	Marketing of sites may not realise the scale of income, subject to market conditions. Also the wheel income is achieved for as long as the wheel is in operation (5 years max). However hoped that this will create further long term value in remaining seafront property assets which will secure income uplift long term (beyond 5 years).	50	50	
Royal Pavilion and Venues	1,088	Review the management arrangements for security across tourism and leisure as part of the wider corporate review of security. These changes represents around 14% of overall security costs across tourism and leisure and a maximum target for savings.	This work will form a part of a corporate programme of change and is likely to be complex both to agree and to implement. The proposed changes will be the subject of detailed consultation with staff and unions.	98	196	

# COMMUNITIES

# 2012/13 Savings proposals

Delivery Unit - Tourism and Leisure						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Royal Pavilion	-1,692	Increase in admission income at Royal Pavilion, this figure is based on performance to date this year, agreed admission charges for next year and plans for events and social media based marketing. The full increase could be up to £150k therefore £50k is included in 2013-14 as a separate stretch target for this same item.	This income is always dependent upon external factors such as the economic climate, visitor trends, the weather etc	100	100	
	0	Gift Aid contributions/ VAT cultural exemption. Gift Aid would be dependant on whether a legal solution can be found to make it possible. This income would parallel track with any increase in ticket income hence an additional stretch target for this of £50k is also included in 2013-14). VAT exemption on ticket sales, if successfully applied for would yield a similar savings figure. NB these two savings options are either/or.	These savings track ticket income and so would be subject to the same risks as above.	100	100	
Preston Manor		Refocusing Preston Manor to maximise learning opportunities, community events and potential commercial income for future years.	Prioritising commercial income may impact on public access.	10	30	
<b>Totals</b>				<b>408</b>	<b>526</b>	

# COMMUNITIES

## 2012/13 Savings proposals

Library Services					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
Libraries	22	Stop paying the RNIB subscriptions for private individuals. The Library service currently pays for the personal subscription to the RNIB of 169 people in the city. For this fee visually impaired people can order talking books directly from the RNIB for free.	With our sign up to the new Six Steps National Library offer, Libraries are committed to delivering a library service to blind and partially sighted people through our regular stock and service provision. This is part of a national strategic offer put in place in all public library services across the country. There are a number of alternatives to the RNIB service on offer in Brighton & Hove: <ul style="list-style-type: none"> <li>• A free talking books service on CD, and a new service of audio e-books that can be downloaded onto a range of personal players. We will be providing assistance to visually impaired borrowers to help them access the books they need, and will always take requests free of charge.</li> </ul>	22	22
			<ul style="list-style-type: none"> <li>• An alternative subscription-free service from Calibre who provide a postal loan of talking books to members and we will pay any initial one off</li> </ul>		

# COMMUNITIES

# 2012/13 Savings proposals

Library Services					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
			charges that may be required to enable our customers to access this service. We are consulting service users and will consider every individual's needs very carefully and will work with individual subscribers to try to meet their specific needs in collaboration with our colleagues in social care.		
	inc below	Following detailed public consultation and research, and with staff input, we have identified the most important priorities for library services. Using this information, the library service is proposing changes that will efficiently deliver the main priorities that our customers have indicated. Included in the proposals is a commitment to deliver effective homework and study support to children, and the current clubs will continue as now through to the end of the academic year in July. In May and June, we will review how homework and study support is delivered, and will work with schools and other partners to ensure effective after school provision	The proposed staffing changes will be subject of detailed consultation with staff and unions during February 2012.	84	84

# COMMUNITIES

## 2012/13 Savings proposals

Library Services					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
		across the city.			
	2,730	Currently, the opening hours of our community libraries vary considerably and we are proposing to change these so there is a more even spread of hours across the city. We are proposing to reduce the opening hours of Hangleton and Portslade libraries, changing from five and a half days a week to four days a week, and to close for one hour for lunch on Saturday in line with all other community libraries. We will maintain the opening hours of these libraries when the majority of people use them.	This proposal would reduce costs while keeping all community libraries open - with there being at least five libraries open in Brighton & Hove on every day of the week (excluding Sundays when only Jubilee Library is open). Our research data has shown that many people already use more than one library, and are prepared to travel around the city to access public libraries on any day of the week. Public consultation is taking place on these proposals to identify the impact of these on local communities.	33	33
	77	The current mobile library is due for replacement and it is proposed not to replace the vehicle this time. Of the 865 people who use the mobile library 574 (67%) also use a static library as well. The mobile library vehicle will be kept for one year to provide temporary provision for Woodingdean while new library is built, so savings are split across two years.	Service users will need to be consulted to ensure that they have alternative access to other library services that meets their needs. Where possible, people will be directed to their nearest static library which is likely to be less than one mile from their home. Where needed, borrowers will receive a Home Library Service to deliver books to people at home.	32	32



# COMMUNITIES

## 2012/13 Savings proposals

Library Services					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
<b>Totals</b>				171	171

# COMMUNITIES

## 2012/13 Savings proposals

Community Safety					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000
Drug & Alcohol Action Team (DAAT) & Environmental Improvement Team (EIT) & Communities Against Drugs Team (CAD)	227	Saving achieved by effectively managing changes that result in no decrease of service capacity. This is enabled by new income from a successful Interreg bid which helps fund communities against drugs work and advanced integrated working with the Environment Improvement Team. The appointment of a new dedicated commissioner for substance misuse services (PCT funded) significantly supports DAAT functions and therefore also enables savings from the deletion of a vacant post and changed management arrangements with no impact on successful outcomes.	No reduction in the effectiveness of DAAT functions and substance misuse services as a result of management efficiencies which together with new European funding, have achieved savings. Outcomes of IC pilots on drug related deaths and alcohol will be effectively delivered.	79	79
Community Safety Team	1,438	Saving achieved by transfer of part time function of Finance Officer to support Communities Against Drugs, Interreg funded project.	No impact on service delivery and all functions maintained as well as additional support provided to communities against drugs initiative.	26	26

# COMMUNITIES

## 2012/13 Savings proposals

Community Safety						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
	inc above	<p>Casework capacity maintained (while saving achieved) through establishment of new joint casework team (hate crime and anti-social behaviour). Further integration with neighbourhood policing team under consideration which will increase community safety casework capacity overall.</p>	No reduction in casework capacity.	28	28	
	inc above	<p>Reduced allocation to the Family Intervention Project. Saving to be offset by service remodelling and recommissioning process (led by Director of Adult Social Care) which is assisted by 'Troubled Families' allocation from central govt, development of shared outcomes with Children's and Adult Social Care services and joint commissioning arrangements. .</p>	Development of new service model which will target 'Troubled Families' in accordance with agreed thresholds and which will be delivered city wide, aims to decrease risk and extend capacity of early intervention initiatives.	38	38	
<b>Totals</b>				<b>171</b>	<b>171</b>	
<b>Overall Total</b>				<b>1,105</b>	<b>1,223</b>	

# COMMUNITIES

## 2013/14 Savings proposals

<b>Commissioner - Sports</b>					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
King Alfred	335	Reduce expenditure on King Alfred maintenance as a result of improvements to the facility	The service impact should be minimal although there is always the risk of major unforeseen expenditure required for any facility.	30	30
<b>Totals</b>				<b>30</b>	<b>30</b>

<b>Commissioner - Communities and Equalities</b>					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
City Communities Fund	30	Cut annual budget completely; this fund was established in 11/12 to support community based activity that did not fit within the cycle of existing grant rounds, e.g. Brighton Voices in Exile supporting refugees seeking citizenship.	There will be no flexibility to support additional community activities which do not fit into the criteria of the annual grant programme. This will affect activity.	30	30
<b>Totals</b>				<b>30</b>	<b>30</b>

# COMMUNITIES

## 2013/14 Savings proposals

Delivery Unit - Tourism and Leisure						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000	
Visitor information Services relocation	255	Reprovision of Visitor Information Services using a range of new and existing methods in order to increase the visitor catchment. This may result in savings and the potential to raise further income on the existing site.	This would require significant business planning work and would only deliver savings or income in 2013-14 at the earliest.	50	50	
Seafront Properties	-1,196	Additional income from income from Wheel and marketing of Peter Pan site.	Marketing of sites may not realise the scale of income, subject to market conditions. The wheel income is achieved for as long as the wheel is in operation (5 years max). However it is hoped that this will create further long term value in remaining seafront property assets which will secure income uplift long term (beyond 5 years).	50	50	
	as above	Additional income, as a stretch target, from seafront properties may be possible if economic conditions improve and current improvements are successful and engender further commercial interest. NB this is a significant stretch for 13/14 and is more likely to be realised over a longer period.	As above	25	25	

# COMMUNITIES

## 2013/14 Savings proposals

Delivery Unit - Tourism and Leisure					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
Venues		Ticketing new box office tender and arrangements.	NB - this saving is over a 3 year period with a part year saving in 13/14, the full saving cannot be brought forward due to existing contractual arrangements and procurement timetables.	50	200
	-1,692	Increase in admission income at Royal Pavilion, this figure is based on performance to date this year, agreed admission charges for next year and plans for events and social media based marketing. The full increase could be up to £150k therefore £50k is included in 2013-14 as a separate stretch target.	This income is always dependant upon external factors such as the economic climate, visitor trends, the weather etc	50	50
	0	Additional income from Gift Aid on tickets/VAT cultural exemption; parallel stretch target to increased income on Royal Pavilion as above	This income is always dependant upon external factors such as the economic climate, visitor trends, the weather etc	50	50
Booth Museum	191	Refocusing Booth Museum to maximise learning opportunities from the collections, events for local communities and potential commercial income for the future.	Prioritising commercial opportunities may impact on public access.	20	20
<b>Totals</b>				<b>295</b>	<b>445</b>

# COMMUNITIES

# 2013/14 Savings proposals

Library Services					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
Libraries	45	Having used the mobile library to provide temporary library provision in Woodingdean while the new development takes place, the vehicle will be sold at auction. Savings are from the end of maintenance and running costs.	No further service impact beyond those in 2012/13 as the library service to Woodingdean will be delivered through a new library.	30	30
<b>Totals</b>				<b>30</b>	<b>30</b>
<b>Overall Total</b>				<b>385</b>	<b>535</b>

## Budget Strategy for Centrally Managed budgets

### Summary

	Budget 2011/12 £'000	Proposed Budget 2012/13 £'000	% change	Indicative Budget 2013/14 £'000	% change
Corporate Insurance	3,009	3,419	13.6	3,487	+2.0
Concessionary Fares	9,660	9,696	+0.4	10,044	+3.6
Capital Financing Costs	10,829	8,994	-16.9	8,961	-10.0
Levies to External Bodies	166	168	+1.2	172	+2.4
Other Corporate Budgets	-2,412	-2,253	+6.6	-2,210	-1.9
Corporate VfM Savings	-1,879	-604		-666	
Contingency and Risk Provisions	2,692	4,909		4,016	
Unallocated Service Pressure Funding	0	0		7,500	
Unringfenced Grant Income	-26,730	-27,458		-26,938	
<b>Total Revenue - Corporate Budgets</b>	<b>-4,665</b>	<b>-3,129</b>		<b>4,366</b>	

### Summary

#### Strategic Financial Context

- The insurance market is unpredictable and our costs are highly dependent on national and international factors as well as our claims history
- The council is obliged to comply with national funding guidance for the statutory provision of concessionary bus travel
- Capital financing costs are influenced by our borrowing requirements and the interest rates payable on this and on the interest earned on our cash and investments
- We assume a level cross-cutting savings in the VfM programme which over the course of the year get allocated to services as clear opportunities are identified
- Our need for risk provisions is related to the complexity and scale of the of the savings needed on the overall budget



- We receive a significant amount of unringfenced grant income which is reducing

### **Key Changes arising from this Budget Strategy**

In 2012/13

- A 3 year fixed funding deal with the city's main bus operator will deliver savings on concessionary fares
- There is a significant saving on capital financing costs as a result of the unpooling of General Fund and Housing Revenue debt, offset by ongoing low income from cash and investments
- We will continue to deliver cross cutting savings through the Value for Money programme
- There will be savings on VAT

In 2013/14

- We will continue with the strategies from 2012/13 which will deliver further savings in the subsequent year

# CORPORATE BUDGETS

# 2012/13 Savings proposals

Corporate Budgets						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Full Year effect of 2012/13 savings £'000	
Treasury Management - Capital financing costs		Reduction in financing costs as a result of the disaggregation of the consolidated loans pool following HRA self financing, offset by additional costs from the ongoing low interest rates achievable.	The saving of approximately £1m on the General Fund from the introduction of HRA self financing, has a corresponding cost to the HRA.	470	470	
VAT		Review of processes and approach for VAT.	We have already identified £24k in relation to our approach to fuel claims. The remaining saving is dependent on obtaining a cultural exemption for the Royal Pavilion and Museums and will require negotiation with HMRC.	200	200	
Concessionary Bus Fares		Impact of the 3 year reimbursement deal with Brighton & Hove Bus Company (note the deal delivered savings of £400k for 2011/12 onwards)	This deal has already been agreed, no further impact.	400	400	
Value for Money		Further management savings of £200,000 to be achieved through a reduction in spend on senior pay	This is likely to lead to some reduction in senior management capacity in the organisation; however options will be developed and consulted upon to manage that impact.	150	200	
<b>Totals</b>				<b>1,220</b>	<b>1,270</b>	
Overall Total				<b>1,220</b>	<b>1,270</b>	

# CORPORATE BUDGETS

## 2013/14 Savings proposals

Corporate Budgets					
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Full Year effect of 2013/14 savings £'000
Council Tax Benefits - City Services lead but with finance support		The setting of Council Tax benefits will be localised from 2013/14 with savings required to match the grant reduction from central government.	This will require the redesign of the council tax benefits scheme, major systems changes and significant consultation and testing of proposals. It cannot be worked up in more detail until there is greater certainty from central government about the proposed way forward.	2,600	2,600
Concessionary Bus Fares		Impact of the 3 year reimbursement deal with Brighton & Hove Bus Company (note the deal delivered savings of £400k for 2011/12 onwards)	This deal has already been agreed, no further impact.	150	150
Value for Money		Further savings in management and administration.	This is likely to lead to some reduction in senior management capacity in the organisation; however options will be developed and consulted upon to manage that impact.	250	250
<b>Totals</b>				<b>2,750</b>	<b>2,750</b>
Overall Total				<b>2,750</b>	<b>2,750</b>



## Value for Money (VFM) Programme

The council's Value for Money Programme has developed over the past few years to include significant transformation programmes affecting almost every area of the council and ranging from service transformation in social care services to efficiencies across ICT and Procurement to reductions in management and administration costs. These programmes are very challenging and complex and carry demanding financial savings targets alongside significant non-financial benefits. Their potential impact on service delivery, including staff and customers, and the efficiency of the organisation mean that they must be well-planned, have effective project management support and be properly resourced to ensure safe delivery. The 2011/12 revenue budget included £1.3m one-off resources over 2 years to ensure that VFM Programmes were effectively planned and supported. Additional resources have been included in the budget for 2013/14 to ensure that progress continues at the same rate.

In the current financial year the VFM Programme is expected to achieve approx £7.786m against an original target of £7.877m. This is £0.091m short of the target primarily due to difficulties outside of the council's control relating to Carbon Reduction initiatives and due to delays in taking forward System Thinking reviews. Including these projects and outstanding Management and Admin savings, there is currently uncertainty on £1.697m of savings as reported in the Month 9 TBM report. This is offset by a significant overachievement within the Children's Services VFM project of £1.123m. Over the 3 year period, the VFM Programme is set to exceed the original revenue target of £18.855m by £1.058m with further potential savings expected to be identified and deliverable by 2013/14 and beyond.

As the programme goes forward, there are a number of areas where we plan to re-commission what we do and this takes time to do properly, including undertaking effective consultation, engagement and equalities impact assessments. To support the VFM Programme and other changes, the council will be developing a longer term investment plan (over 10 years) which will help to deliver savings on the revenue budget through:

- More efficient working practices and office spaces
- Channel shift for customer access (e.g. to on-line services)
- Reduced building costs and associated reduced energy emissions and carbon costs
- Reduced maintenance costs

The current VFM Programme includes the following priority areas:

### **Adult Social Care:**

Value for money in this area is focused on introducing new models of delivery and 'Personalisation' to provide greater choice (i.e. Self Directed Support and Personal Budgets) and more effective 're-ablement' of people needing care.

This ensures that people can continue to live independently at home, particularly after hospitalisation, and do not require long term residential or nursing care. The programme does not change the eligibility criteria for access to Adult Social Care. The Adult Social Care programme includes implementation of improved assistive technology, including Telecare, to further reduce the cost of care provision.

### **Children's Services:**

The project aims to improve prevention, planning and delivery of care across all levels of need, primarily aimed at preventing children and families reaching the highest levels of need which are very expensive to provide. The project has progressed very well and has over-achieved by £1.123m compared with the originally anticipated financial gains for 2011/12.

The VFM programme for Children's services protects and develops family support services to help reduce the numbers of Children in Need and the numbers of Children who are Looked After. The programme is focused on driving an early intervention strategy enabling families in need to care for their children, especially when they have multiple support needs. Effective early intervention should reduce the numbers of children in need and those that become looked after, leading to better outcomes for children and reduced spend while ensuring we continue to meet our child protection duties.

### **ICT:**

This project is concerned with improving ICT investment decisions and reducing infrastructure costs across the council. Technical solutions to support the 'Workstyles' approach (see below) and associated mobile and flexible working have now been tested and successfully implemented. This is critical to leveraging savings in the property estate in future. Other areas include reviewing telephony provision and associated contracts and reducing the overall number of ICT applications and licenses, particularly where systems can be redesigned to share the same common data. The council is also working across the region with other authorities to look for efficiency and sharing opportunities and is leading on the ICT work for the South East 7 (SE7) cluster.

### **Procurement:**

Within the procurement part of the VFM Programme the successful piloting of category management in ICT and Fleet led to the implementation of a 'category management' approach for all council buying and a new Procurement Team structure has been in place since 1 September. Category Management involves focusing on higher value procurement categories and reviewing all associated contracts and spend to look for opportunities for amalgamation, renegotiation of terms, and/or restructuring of contracts (e.g. perhaps because the contract is used differently in practice to the original specification).

Experience during 2011/12 shows that there are complexities in stripping out procurement efficiencies from areas where spending has simply been reduced or stopped. Therefore the target of £1.3m for procurement savings for 2012/13 is shown as being delivered through the detailed savings proposals in each service area rather than as a separate cross-cutting

corporate item to guard against double counting and to simplify the monitoring of achievement against savings targets.

The project will ensure that the council is able to make the best use of its considerable buying power and will link with other South East authorities where practicable.

### **Sustainable Transport & Fleet:**

This project is now closed and has delivered ongoing savings of £0.300m through reductions in management costs in Sustainable Transport, savings on Fleet related costs (e.g. maintenance, repairs) through a new fleet replacement programme, and savings on bus subsidies where alternative provision was able to be identified.

### **Workstyles:**

The Workstyles project is about making more efficient use of the council's property estate by improving office working environments and using new IT to enable more flexible and mobile working. The provision of modernised offices within Bartholomew House together with a new Customer Service Centre has enabled the move of over 300 staff out of Priory House, saving £300,000 per annum on lease rentals and other running costs.

Phase 2 of the Workstyles programme was agreed by Cabinet in December 2011. Savings relating directly to property costs are assumed to be £270,000 per annum by 2013/14, growing to ongoing savings of over £400,000 per annum on full completion. The investment will also enable significant processing and productivity gains to be achieved, which will help services to meet other savings requirements. The resulting reduction in energy consumption will also avoid higher costs in the future as energy prices continue to increase. Phase 2 also includes a second Customer Service Centre (in Hove) to further improve customer facilities.

### **Leaner Management & Administration:**

Management and administration is an important aspect of service delivery and enables front-line staff to be effective and focus on service delivery. However, these costs are an overhead and any value for money review should of course challenge these costs and ensure that they represent good value. This project was designed to examine operational decision-making structures and management hierarchies to ensure they are consistently lean, efficient and reflect the council's drive to reduce bureaucracy and increase transparency. It was also about reviewing administrative staffing and looking for ways to reduce administrative burdens and processes.

This initiative was supported by a Voluntary Severance Scheme focused on, but not exclusive to, these staff groups. Services have worked hard to meet the aims of this project and ensure that, where there were applicants for voluntary severance, they restructured or redesigned services to enable as many posts as possible to be deleted. To date, approximately £2.5m full-year savings have been identified but there is still further work needed to achieve the revised target of £3.5m. This will continue over the remainder of the financial year as services continue to review vacancies and some further service redesign may be necessary.

The amount outstanding (£1.0m) equates to approximately 30 posts which still need to be deleted from the organisational structure. However the number of vacant posts is significantly higher than this, enabling

### **Consolidated Spend:**

This project has now closed and was aimed at looking for opportunities where bringing together items of expenditure under central control would not only provide greater controls on expenditure but also enable efficiency savings through, for example, aggregated procurements. The main areas identified were communications, property related expenditure, training activity and spend, and ICT support activity. A saving of £0.250m per annum has been achieved as planned. Although the project has closed, the position will be reviewed periodically and other opportunities taken up where practicable.

### **Systems Thinking Reviews:**

Systems Thinking is simple in concept and is about methodically challenging and reviewing the way work is done to look at whether it: a) meets customer requirements effectively (i.e. meets 'value demand'), and b) includes any work that does not add value to the service delivered (so-called 'failure demand'). The reviews are aimed at increasing the work on value demands and reducing or eliminating failure demands. Although simple in concept it is complex in practice due to the wide variety of services, systems and working practices across the council.

The implementation of other initiatives including Workstyles, Customer Service changes (mainly on-line developments) and many other service changes (e.g. some emanating from the Value for Money Programme) have meant that the capacity to undertake Systems Thinking reviews at the same time has been severely hampered. Undertaking such reviews without the right commitment, capacity and support could do more harm than good to services. The reviews are therefore behind schedule and will need to be carefully prioritised on those services that are in a position to take them forward effectively with full commitment. Savings are conservatively estimated at £0.500m in 2012/13.

### **Carbon Reduction:**

An ambitious target for savings from carbon reduction was set in the 2011/12 budget and it was assumed that the majority of this would be delivered from the implementation of solar PVs on council buildings and potentially some through investment in street lighting. The projects have proved technically more challenging than expected originally and with higher levels of capital investment and longer paybacks required. Cabinet approved a programme of investment in solar PVs in June to deliver both carbon reduction and financial savings, however this has been affected by the current government consultation on Feed In Tariffs and the proposed programme is now significantly smaller and does not generate the originally assumed financial savings. Cabinet has also approved some capital investment in street lighting but while the resulting energy savings are sufficient to payback that investment, they do not themselves generate a surplus based on current assumptions.



While specific carbon reduction measures will continue and an updated Carbon Management Programme is being developed the most significant savings are expected to be achieved over the long term through a greater focus on carbon reduction through the Workstyles programme and therefore these two VFM workstreams will be amalgamated. The planned saving from energy efficiency has been removed from the budget assumptions but continues to be a live issue both in terms of the level of service pressure funding required for energy price rises and in the development of the carbon budgets.

### **Customer Access and Collaboration Opportunities:**

These areas did not have financial savings allocated to them but were focused on improving the customer experience and identifying possibilities for working with other agencies.

Work continues to explore options for improving the customer experience and to implement these where practicable and cost-effective. Most of this work is focused on improving on-line information and facilities and included a re-launched website. The new Customer Service Centre at Bartholomew Square is now up and running with its 'meet and greet' approach is receiving good feedback from customers. Work is now focused on developing a business case for further investment in on-line services, including new Customer Experience Management technology.

Collaboration opportunities are being explored with other partners and agencies within the region to reduce costs wherever this makes good business sense and aligns with organisational priorities. There are already sharing protocols with other authorities around legal services and the council is providing support services to South Downs National Park Authority. The SE7 group also provides other possibilities for collaborative working on ICT and procurement areas. Other possibilities will continue to be explored on a case-by-case basis.

### **Summary of VFM Gains (Benefits Realisation)**

The financial gains for individual projects are set out in the table below.

<b>VFM Project</b>	<b>2011/12</b>			<b>Total 3-Year Savings</b>
	<b>Forecast</b>	<b>2012/13</b>	<b>2013/14</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Adults Social Care	1.551	1.172	1.684	4.407
Children's Services	3.142	0.301	1.827	5.270
ICT	0.140	0.361	0.471	0.972
Procurement *	0.553	1.341	2.250	4.144
Workstyles Phases 1 & 2	0.100	0.270	0.200	0.570
Sustainable Transport & Fleet	0.300	-	-	0.300
Management & Admin	1.750	1.750	-	3.500
Consolidated Spend	0.250	-	-	0.250

Systems Thinking *	0	0.500	0	0.500
Carbon Reduction	0	0	0	0.000
<b>Total VFM Projects</b>	<b>7.786</b>	<b>5.695</b>	<b>6.432</b>	<b>19.913</b>

- indicates project has been or will be completed.
- \* Note: Savings relating to Procurement and Systems Thinking are no longer held centrally and now reside in service areas to avoid double-counting. These projects are therefore designed to enable services to deliver their full savings proposals through the measures described elsewhere in the budget report. However, other savings may be identified/achieved as the projects progress – these will normally be retained in the service areas in which they occur.

Services have re-prioritised existing staffing and resources to ensure effective support for the delivery and implementation of VFM projects. The projects also include other ‘invest-to-save’ resources and costs where these are essential to lever in the substantial value for money gains.

## Equalities Impact Assessment

### 2012-2013 Revenue Budget

#### 1. Background

**This document highlights the key differential impacts of potential budget decisions, and indicates where a single decision or series of decisions might have a greater impact on a specific group. It also indicates ways in which negative effects may be minimised or avoided, and where positive impacts can be maximised or created.**

Budget decisions can have different impacts on different groups of people, either in changes to individual services or in the ways those changes have an impact cumulatively.

#### 2. Budget Equality Impact Assessment Process, including Consultation

In Brighton and Hove City Council a Budget EIA process has been used to identify the main potential impacts on groups covered by legislation (the 'protected characteristics' in the Equality Act 2010<sup>1</sup>). The consultation process on the Budget has occurred in a number of different ways:

- The draft Budget was published as early as possible to enable a longer consultation process
- Different media were used to enable public comment: an online budget simulator, social media, the online Consultation Portal, public meetings, a webcast chat, and meetings between councillors and residents.
- All service areas which might be subject to a change completed an Equality Impact Assessment (EIA) Screening document for the budget proposals in their area. Each one lists:
  - the groups protected in law, plus other relevant groups;
  - information about these groups relevant to the service area;
  - the potential impact on these groups;
  - and proposed actions to address this potential impact

NB: Screening documents have been used due to the size of the budget report and the amount of information that has been assessed. Many of them draw on existing EIAs which already indicate impacts.

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<sup>1</sup> 'Protected characteristics' are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. (Also marriage and civil partnership, but only in relation to eliminating discrimination.)

- These Screening EIAs were also circulated widely to Community and Voluntary Sector groups, including the Community and Voluntary Sector Forum (specifically their Equality Network of elected reps from ‘protected characteristic’ groups), communities of interest groups, via the City Inclusion Partnership, BHCC staff in the Equality Steering Group and their networks, and to reps in geographical areas.
- Consultation responses and other information were used by officers to revise the Screening EIAs into the final versions which are available to members as they consider the budget proposals. The final versions are available on the council website.

Responses to the Budget EIA consultation were received from the following:

- Amaze (works with parents of children with special needs and disabilities)
- FED: Centre for Independent Living (formerly the Federation of Disabled People)
- Brighton and Hove Speak Out! (independent advocacy for adults with learning disabilities)
- Brighton and Hove Youth Council
- Brighton Women’s Centre (also on behalf of the city’s women’s services)
- A meeting hosted by the Black and Minority Ethnic Community Partnership
- The Equality Engagement Consortium (FED: Centre for Independent Living, Mind in Brighton and Hove, LGBT Health Involvement Project, Black and Minority Ethnic Community Project, The Carers Centre, Pensioner Action, Amaze, Speak Out)
- A Health Impact Assessment

All the consultation responses are available on the council website.

At the point at which implementation decisions are made about budgets, full Equality Impact Assessments will be carried out in a number of areas which will analyse specific impacts and develop the required mitigating actions. These will involve more engagement with the community and voluntary sector, staff, statutory partners and relevant groups.

### **3. Aims of Equality Impact Assessments (EIAs)**

The new Equality Duty (within the Equality Act 2010) supports good decision-making: it encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people’s needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people’s opportunities, public bodies are better placed to deliver policies and services that are efficient and effective.

Assessing the potential positive and negative impact of decisions on different equality groups is a key part of meeting the council’s duty under the Act, and demonstrating that we are doing so. This approach, called Equality Impact Assessment (EIA) enables us to use the findings to inform decision-making, increasing opportunities for positive benefits and reducing or removing negative impacts, specifically where they affect one or more group disproportionately, and especially where they may be unlawful.

The aims of an Equality Impact Assessment become especially important at times of straitened budgets:

- think about what the council is trying to achieve
- what impact the decision will have on different groups
- targeting resources to those who may be most vulnerable
- funding services which respond to people's diverse needs and save money by getting it right first time

Nationally, there have been a number of successful legal challenges to funding decisions because public authorities have failed to show such consideration during the process. In such cases, the public authority will almost always be required to start the decision-making process again, with proper consultation and evidence gathering to identify the impact on particular groups.

“Even when the context of decision-making is financial resources in a tight budget, that does not excuse compliance with the PSEDs [Public Sector Equality Duties], and there is much to be said for the proposition that even in straitened times the need for clear, well informed decision-making when assessing the impacts on less advantaged members of society is as great, if not greater.”

*Blake J in R (Rahman) v Birmingham City Council*  
[2011] EWHC 944 (Admin)

#### 4. Legal context – Equality Act 2010

Within the Act the Equality Duty has three aims. It requires public bodies to have ‘due regard’<sup>2</sup> to the need to:

1. **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act;
2. **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; which includes the need to:
  - remove or minimise disadvantages suffered by people due to their protected characteristics;
  - meet the needs of people with protected characteristics; and
  - encourage people with protected characteristics to participate in public life or in other activities where their participation is low.
3. **foster good relations** between people who share a protected characteristic and people who do not share it; which involves

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<sup>2</sup> Having ‘due regard’ means consciously thinking about the three aims of the Equality Duty as part of the process of decision-making. This means that consideration of equality issues must influence the decisions reached by public bodies – such as in how they act as employers; how they develop, evaluate and review policy; how they design, deliver and evaluate services, and how they commission and procure from others.

- tackling prejudice and promoting understanding between people who share a protected characteristic and others

Public sector bodies need to be able to evidence that they have given due regard to the impact and potential impact on all people with ‘protected characteristics’ in shaping policy, in delivering services, and in relation to their own employees.

The following principles, drawn from case law, explain what is essential in order for the Equality Duty to be fulfilled. Public bodies should ensure:

- **Knowledge** – those who exercise the public body’s functions need to be aware of the requirements of the Equality Duty. Compliance with the Equality Duty involves a conscious approach and state of mind.
- **Timeliness** – the Equality Duty must be complied with before and at the time that a particular policy is under consideration or decision is taken – that is, in the development of policy options, and in making a final decision. A public body cannot satisfy the Equality Duty by justifying a decision after it has been taken.
- **Real consideration** – consideration of the three aims of the Equality Duty must form an integral part of the decision-making process. The Equality Duty is not a matter of box-ticking; it must be exercised in substance, with rigour and with an open mind in such a way that it influences the final decision.
- **Sufficient information** – the decision maker must consider what information he or she has and what further information may be needed in order to give proper consideration to the Equality Duty.
- **No delegation** – public bodies are responsible for ensuring that any third parties which exercise functions on their behalf are capable of complying with the Equality Duty, are required to comply with it, and that they do so in practice. It is a duty that cannot be delegated.
- **Review** – public bodies must have regard to the aims of the Equality Duty not only when a policy is developed and decided upon, but also when it is implemented and reviewed. The Equality Duty is a continuing duty.

The 2012-14 budget EIA process has been designed to meet these requirements and to enable the council to evidence how it has paid ‘due regard’ to the needs of diverse groups in the process of making budget decisions.

## 5. National context

The budget proposals are being developed within the context of reduced public funding to local government. The Comprehensive Spending Review (CSR) has already set out the headline reductions for local government of 28% over a four year period.

Key elements from the CSR with a potential equalities impact include:

- Schools budget will increase by 0.1% in real terms over the next 4 years,
- Sure Start funding will be protected in cash terms,
- Additional £2bn nationally for Adult Social Care,
- A further £7bn reduction in welfare benefits above those initially announced.

Key national issues that may have an equalities impact include:

- New council responsibilities including the public health agenda,
- Impact of welfare reforms on communities,
- Education reforms,
- Localism Bill,
- Changes to the Formula Grant and other grants the council receives could affect Children's and Adults' services

## 6. Local context

The five council corporate priorities detailed in the [Corporate Plan](#):

- Tackling inequality and working to create a fairer city
- Building a sustainable city
- Involving people
- A council the city deserves
- A fair employer

## 7. Budget Equality Impact Assessment Process

The EIA process and consultation outlined above have been based on identifying whether there are there any identifiable service delivery impacts on:

- the whole community
- service-users and people supporting service-users
- groups with 'protected characteristics'

There has also been an overall assessment of:

- the impact of funding changes from one service on another across the council (cumulative impacts),
- consideration of what mitigating actions can be taken, and
- how can we monitor, evaluate and take action on impacts which may occur.

**The overall assessment is that there is no evidence in the EIAs of discrimination in the Budget proposals. However, there are concerns about the council's ability to achieve our objective of reducing inequality and therefore there is key activity to be undertaken to ensure that this is not undermined by budget decisions. More details are below.**

## 8. Feedback from Community and Voluntary Sector Organisations

### Brighton Women's Centre (BWC)

The Centre identifies specific issues for women in particular services and across services, alongside national changes. Examples from their response and the EIAs:

- Sure Start Children's Centres – "The cumulative impact of national and local changes will disproportionately disadvantaged women", specifically lone parents (EIA). 90% of lone parents are women and generally women take on the majority of childcare responsibilities.
- Sure Start Nurseries: "Women tend to take responsibility for arranging childcare. Higher fees may deter women from using childcare and therefore prevent them from training for working. The Government reduced the childcare element of the working tax credit from 80% to 70% in April 2011. The cumulative impact of national and local changes will disproportionately disadvantaged women" (EIA).
- Housing Revenue Account: "Women and single mothers on low/fixed incomes who are not in receipt of full HB [Housing Benefit] will be affected by increases in service charges and rent" (EIA and BWC).

### FED: Centre for Independent Living

The FED identifies specific issues for disabled people in particular services and across services, alongside national changes. Examples from their response and the EIAs:

- The Adult Social Care principle of targeting services to those with most complex needs potentially means less focus on work to prevent those with moderate needs becoming worse. "If the drive is to allow people to live independently preventative services are the key to the council achieving this" (FED).
- City Infrastructure: less spend on preventative highway maintenance: "These proposals will make part of the city inaccessible for older and disabled people particularly the closure public toilets. Some roads and pavements in the city are currently in poor repair and are inaccessible and poorly lit, there are concerns that this will affect outlying parts of the city in particular" (FED).

### Brighton and Hove Speak Out

B&H Speak Out identifies specific issues for people with learning disabilities in particular services and across services, alongside national changes. Examples from their response and the EIAs:

- Adult Social Care centralising transport and changes in learning disabilities accommodation: there are concerns in both areas that changes in familiar systems can cause confusion and anxiety, and potentially also disadvantage people who struggle to articulate their needs and preferences. Advocacy and preparation are recommended as key elements in support.



- As with the FED (above) there is a concern that “the possible consequences of in-house services focussing on people with higher support needs are that more independent people with a milder learning disability may be more at risk of social isolation, health and mental health problems should they move to accommodation with less staff and support” (Speak Out).
- Provision of services in mainstream settings as opposed to specific centres has the potential to increase integration and reduce social isolation for some people with learning disabilities, but it is important that “Staff understand individual needs including physical needs, medical issues, Learning Disabilities & hidden disabilities, e.g. autism” (EIA).
- Cumulatively there is a potential for reduction in building-based services, closures of public toilets, reduced street maintenance and reduced subsidised transport leading to “less confidence to walk and travel independently” and “increased social isolation. People with learning disabilities have told us that they value day services because they get to see their friends. We know that many people already say that they do not see their friends enough at present and are not supported to do so by some staff” (Speak Out). There are potential concerns about “increased stigma and prejudice from other people on public transport” (EIA).

## **AMAZE**

Amaze identifies specific issues for young disabled people and their families in particular services and across services, alongside national changes. Examples from their response and the EIAs:

- Existing pressures and costs on families caring for children and young disabled people are already high and there is concern that “whilst individually the cuts are relatively small, the affect on these families will be cumulative, disproportionate and unacceptably high. Some proposals will directly impact on these families ability to cope and short term savings now are likely to result in higher costs later if families go into crisis and their child needs residential care” (Amaze).
  - Types of proposals specifically referenced here are changes to Children’s Centres, changes to benefits for those in temporary accommodation, and increases in charges in social housing.
- Reductions in funding for Child and Adolescent Mental Health Services (reduced work with children and professionals in schools to raise awareness of mental health). “Early intervention is key here especially in training people what the warning signs are. Cuts here are a real concern” (Amaze).

## **9. Budget EIAs: identified cumulative impacts**

- Increased fees and charges in a number of services will accumulate for individuals and families, especially for those who will be affected by national changes in benefits and housing allowances, national employment trends and increases in food prices and fuel prices (up by 23% and 53% respectively in the last four years). The fees and charges cumulative impact assessment is clear that specific groups are not disproportionately affected, however those at risk of financial exclusion are likely to have reduced access to our non-statutory services.

- Changes to specialist services, including the already planned reductions to Supporting People contracts and reduction in Sure Start support raises two potential issues for mainstream services:
  - how to develop the capacity/resource in the mainstream to manage this in the context of budget reductions, and
  - how to support the skills of mainstream providers to deal with more complex issues (eg: Learning Disability, Mental Health).
- Significant changes in services or the physical appearance of the city is likely to have a larger impact on some communities more than others (eg: impact of changed routines in transport or day care for people with learning disabilities). These areas will need careful implementation to ensure that impacts are mitigated in the process.
- A number of the actions to mitigate impact are related to links to Community and Voluntary Sector (CVS) services (for communicating information, identifying impacts of cuts on specific groups, advocacy), at a time when there is pressure on the CVS in relation to funding, which raises an issue of capacity.

## 10. Crucial Next Steps

Existing council equalities approaches will be a critical part of minimising or avoiding negative impacts on specific groups. Where negative impacts are identified these must be addressed urgently. Regular monitoring and analysis to identify trends and identify actions, and robust equality impact assessment which actively engages stakeholders are fundamental to meeting our legal duties and corporate commitments. Senior managers, including the Corporate Management Team will have responsibility for overseeing this as decisions are made and service changes take place.

- Ongoing equalities monitoring of the impact of budget changes locally and funding reductions nationally to identify trends in disproportionate or unanticipated impact at an early stage to address them. Eg: street lighting: monitoring trends in reporting crime and/or accidents, especially among group with protected characteristics (eg: disabled, BME or older people). This reporting should be monitored at senior levels within the council in order to identify cumulative impacts and mitigating actions.
- The full Equality Impact Assessments should be undertaken with relevant Community and Voluntary Sector groups, service-users, advocacy services, partner organisations and other relevant groups. If issues highlighted in the consultation process have not yet been addressed, then they must be considered within full EIAs, as well additional focus on more 'hidden' populations (eg: people with moderate learning disabilities, or people with mental health issues).
- Where gaps in monitoring have been identified during the screening EIA process steps should be taken to fill these in the forthcoming year. This will enable better modelling of potential impacts and assessments in future.

## 11. Potential mitigating actions

There are also a range of other actions which the council can implement which will help to mitigate the impacts identified in the Budget EIAs:

- There are opportunities for working differently with partners, both statutory and Community and Voluntary Sector groups (for example more closely aligning related services, or commissioning advocacy services from the CVS to mitigate effects).
- Continued engagement with service-users and potential service-users will identify ways in which services can be improved
- Increasing staff capacity, skills and knowledge in identifying and addressing diverse needs in mainstream services.
- Clear communication of changes, especially to vulnerable groups, well in advance of the changes taking place will help with reducing anxiety and disruption. Council communications must target specific audiences in appropriate ways, ensuring that messages about the changes and reasons for them are simply explained, along with any information about alternatives or sources of advice or support.





**Brighton & Hove  
City Council**

**Report of the Overview and  
Scrutiny Commission**

**January 2012**

**Budget Scrutiny Panel**

## **Chair's Introduction**

We live in difficult economic times and Brighton & Hove City Council, like all local authorities, has to ensure it lives within its means and will have to take some difficult decisions regarding the balancing of its priorities against what is possible.

This scrutiny panel has been tasked with the difficult job of reviewing the administration's draft budget proposals, critiquing them and making recommendations for improvements.

This report highlights that getting cross-party agreement on one of the most political of all decisions the council takes has proved to be very challenging.

We have had a number of excellent evidence gathering sessions where Cabinet Members and senior officers put their budget areas forward for cross-examination which was a testing but worthwhile process. I think they all survived!

I must thank all our witnesses along with fellow panel members for their time and effort. The recommendations we have come up with do not focus on specific budget lines but rather some key overarching themes. I would draw your attention to the summaries of each of the meetings which provide a guide to some of the areas where we had most concern over what was being proposed.

Cllr Ken Norman  
Chair Budget Scrutiny Panel

## 1. **Background and Process**

- 1.1 The scrutiny panel was chaired by Cllr Ken Norman and comprised Councillors Mears, Mitchell, Pissaridou, Summers and Sykes, with Jo Martindale representing the community and voluntary sector.
- 1.2 The panel agreed that it would seek:
  - To provide cross-party challenge to the budget proposals brought forward by the administration
  - To understand the cumulative affect of budget cuts across the council and city, for service users and providers
  - To begin looking at public service budgets across the piece – fire, police, health
  - To make recommendations to Cabinet as to how to improve the budget
- 1.3 The panel heard from each Cabinet Member supported by senior officers. This is the first time each member of the Cabinet has been cross-examined by scrutiny members in this way which adds to the accountability of the budget process. The list of witnesses and timetable of meetings is attached to this report as **Appendix 1**.
- 1.4 The minutes of each of the scrutiny panel evidence gathering sessions are appended to the report to provide a narrative of the scrutiny process (**Appendices 2-6**). These, along with the summaries contained later in this report, highlight the areas of questioning and Members concerns regarding specific budget proposals.
- 1.5 Written answers promised to questions asked at the meetings are attached as **Appendix 8**. **Appendix 8A** provides details of staffing implications and **Appendix 8B** regarding the impact on the third sector.
- 1.5 The scrutiny panel itself forms part of the budget consultation process and ensures a greater degree of accountability than would otherwise be the case.
- 1.6 The involvement of the community and voluntary sector has been a positive step forward, allowing for broader scrutiny and a wider knowledge base from which to examine proposals. The sector is a major partner of the council delivering a wide range of services and is directly, and indirectly, impacted upon by changes to the council budget.
- 1.7 The Community and Voluntary Sector Forum (CVSF) has produced a position statement which is appended in full to this report. (**Appendix 7**). The panel were also presented with statements from various groups relating to community transport and the music service.

- 1.8 The fees and charges that were publicly available were presented to Members along with the summary documents from the different consultations the council has undertaken to date on the draft budget.
- 1.9 The findings of this report, its recommendations, lines of questioning and comments from members will be reported to the Overview and Scrutiny Commission for agreement on the 31<sup>st</sup> January 2012.
- 1.10 The report will be provided to Cabinet to inform a revised set of proposals that will be presented at Cabinet on 9 February 2012. These will take into consideration the feedback from further consultation, the scrutiny recommendations and the most up to date financial information.
- 1.11 The final responsibility for agreeing the council's budget for 2012/13 rests with all elected members at the meeting of Full Council on 23 February 2012. This will be done in the light of the plans for 2013/14 but the final decision on the budget for 2013/14 will not be taken until the following year.
- 1.12 Feedback from members of the scrutiny panel indicates that the scrutiny process represents a further improvement from last year. Having a single group of members reviewing all the proposals improves continuity and allows for cross-cutting lines of questioning to be developed.
- 1.13 However the panel hasn't really been able to fully develop the partnership approach to budget scrutiny, understanding how the budgets of different public sector bodies interrelate; this is something that should be developed in future years.
- 1.14 Whilst the budget scrutiny process has rarely brought forward concrete resolutions, it allows cabinet members to test assumptions and enables considerable questioning of proposals.



## **2. Budget Context**

- 2.1 The budget scrutiny process has been based on the information in the budget papers presented to Cabinet on the 9<sup>th</sup> December 2011. This report will not re-present all of the information tabled at Cabinet in December which can be accessed from the council website. However there are some parts that bear repeating to provide context for the scrutiny process.
- 2.2 The stated principles upon which the budget has been developed are:
- To prioritise services for the young, elderly and vulnerable
  - To promote efficient use of public money
  - To support partnership working with public, private and third sector organisations
- 2.3 All service areas were asked following the report to Cabinet in July 2011 to produce options for working within budget allocations over the next two years of -5%, -10% and -15% based on their 2011/12 adjusted budget. This process was designed to ensure that decision making is for the medium term, not just the short term. It also enabled consideration to be given to allowing longer lead in times for delivery of savings in some areas if this would result in better long term outcomes. The options developed considered not only reductions in expenditure, but also measures to manage growth in service demand and opportunities for generating additional income. The Value for Money Programme also remains at the heart of the overall budget strategy.
- 2.4 Formula Grant**  
The final settlement for 2011/12 announced by the Department of Communities and Local Government (CLG) in February 2011 contained indicative grant figures for 2012/13 and it is unlikely that these figures will change significantly. The forecasts therefore assume that the council will receive £101.4m formula grant in 2012/13; a reduction of £10.5m or 9.4% from this year.
- 2.5 Council Tax Freeze Grant**  
The council will continue to receive a grant of £3m per annum for 2012/13, 2013/14 and 2014/15 following the council tax freeze in 2011/12. Government has announced that £805m had been found nationally to fund a council tax freeze for 2012/13 only. CLG has recently confirmed that the council would be entitled to a further £3m grant in 2012/13 equivalent to a council tax increase of 2.5% should the council agree to freeze council tax next year. CLG also confirmed that this grant would cease after 2012/13.
- 2.6 Full Council on 23 February 2012 will determine both the budget and council tax for 2012/13 but the resource forecasts in the Cabinet report assume that council tax will increase by 3.5% next year as set out in the July Cabinet budget report. A decision to freeze the council tax in 2012/13 will require an additional £1.2m recurrent savings to be

identified and agreed for next year and an additional £3m recurrent savings in 2013/14 when the new council tax freeze grant ends or require a higher increase in council tax.

## **2.7 Staffing Implications**

The staffing budget for 2012/13 includes funding for a £7.19 per hour living wage and the costs of complying with the new legislation for use of agency workers. A pay freeze is currently in place nationally.

- 2.8 At this stage in the budget process it is difficult to determine exactly how many staff may be affected by the proposals. A broad estimate is that in 2012/13 an estimated 100-120 posts may be removed from the council's staffing structure.

## **2.9 Two Year Budget**

- 2.10 This is the first time that two year budget proposals have been put forward. This longer term horizon is designed to help members take more effective service and financial planning decisions. It also provides time for consultation on some of the reshaping of services that will be required in 2013/14 if the council is to be able to balance its budget whilst still meeting its agreed priority outcomes. The size of cuts required over the next few years has the potential to fundamentally change how the council works and as such longer terms financial planning could be beneficial, as could a more structured dialogue with residents.

## **2.11 Equality Impact Assessments (EIAs)**

- 2.12 EIAs were published with the budget cabinet papers for the first time.

### **3. Recommendations**

- 3.1 The inherently political nature of the budget setting process has meant that recommendations on specific proposals have not been forthcoming; however members have made recommendations both on the process, future process and some fundamental principles upon which to base budget priorities and reductions.

#### **Recommendations**

1. The open manner in which the budget proposals have been brought forward is to be welcomed and should be further developed.
2. The publication of a two year budget is a step forward in providing a greater capacity for services to develop long-term plans for reduced resources and should be continued.
3. Thought should be given as to the best manner in which to expand the reach of the budget consultation building on efforts this year.
4. The publication of the initial Equality Impact Assessments with the budget proposals is to be welcomed. Whilst this is an improvement more work is required to ensure the consistency of all EIAs. Consideration should be given to including a 'poverty' group within the assessment.
5. The impact and outcomes from all areas of council spending should be measured and clearly understood. More work is needed to make this a reality.
6. Budget reductions should be made in relation to impact, quality of service and value for money. In-house services should not be protected at the expense of those provided externally merely because they are council-run; the reverse is also true.
7. The cumulative impact of reductions on service-users should be better evidenced and understood and reported alongside budget proposals.
8. Funding provided to the third sector should be monitored to ensure it is not disproportionately cut.
9. The budget papers present some excellent examples of long-term service reconfiguration, there are however plenty of cases of continued incremental cuts. More work is needed to ensure that a cross-council, pan-public sector and partnership approach to service design is adopted as standard.
10. In order to protect services the council will need to work more closely than ever with partner organisations. It is of concern that the council and partners are looking to reduce funding to support partnership working.

11. The input of the third sector has been a valuable addition to the budget process. This should be expanded in future years.
12. A process of budget development and scrutiny that allows for the wide involvement of partners needs to be developed once the council has moved to a committee system.
13. The publication of carbon budgets is an important development and the approach is to be applauded. The profile and detail provided in this regard to be increased in future years.

## **4. Summary of the Questioning and Comments**

4.1 The section below provides a summary of the issues raised during each of the evidence gathering sessions. It is reproduced to provide an overview for ease of consumption. The detailed minutes of each meeting should be read in **Appendices 2-6** for a more complete view of the process and issues.

### **4.2 Environment and Sustainability (Appendix 2)**

- Public toilets – there was concern regarding how this would impact on families and older people. Questioning focused upon what assessments were made regarding usage and what work could be undertaken to either run toilets differently through ‘friends of’ groups or promote the ‘use our loo’ scheme with local businesses.
- Changes to CityClean – reduction in rounds and street cleaning. What impact would this have to environment of the city along with cuts to other services that impact upon the physical appearance of the city?
- Streetlighting and developing a long-term solution to maintenance and upgrading issues.

### **4.3 Planning, Employment, Economy and Regeneration (Appendix 3)**

- Planning – concern regarding the level of resources and expertise available to produce the new City Plan, whilst continuing other important work.
- Economic Development – agreement that the council needs to support economic development at a difficult economic time but also that there needs to be a way to ensure measurement on what impact council investment in this area actually has.
- Skills and adult education – questioning as to whether resources were sufficient to deliver the city’s Employment and Skills Plan, given the importance of skills and training to the future economy.
- Major Projects – concern over a fairly large percentage cut to the service.

### **4.4 Adult Social Care and Health (Appendix 4)**

- Reductions to residential accommodation provision - concern as to whether the timescales are achievable and what consultation will be undertaken.
- Learning Disabilities Partnership Board – what will the reductions actually mean and how will it affect service provision?
- Day Services – how will the service change and will this impact upon mental health provision? Will the level of service be reduced?

### **4.5 Children and Young People (Appendix 4)**

- Youth Services – security of long term funding and purpose and mechanics of new grant based resources. How does this link to the youth service review?

- Youth Employability Service – concern at the removal of the one-off funding and its impact after previous reductions, especially given current levels of NEETs.
- Changes to support for schools – how prepared are schools to take on this extra work, and what support will the council still be offering?
- Music service – considerable public concern regarding the music service and proposed cuts. Level of local subsidy and comparison nationally.
- Services for Children with Disabilities – cuts fall disproportionately on the third sector. This needs to be looked at again and cuts focused on less effective services overall.

#### **4.6 Finance and Central Services (Appendix 5)**

- Human Resources – continuing overspend, lack of savings going forward and length of time it has taken to implement new systems. How much HR is done centrally and how much by managers.
- Life events – levels of fees and charges for events and how the council compares to other councils.
- Partnerships – support for partnerships and Local Strategic Partnership needed at a time of significant budget cuts across all sectors.

#### **4.7 Transport and Public Realm (Appendix 5)**

- Transport modelling – assurance was sought that the substantial investment in the modelling capability would not be diminished through a small budget saving.
- Shopmobility – substantial concern that the service would struggle with a reduction in resources when it was supporting some of the most vulnerable across the city.
- Road maintenance/line painting – questioning regarding whether a reduction in planned maintenance would be counterproductive in that it would result in more urgent and unplanned work.
- Road safety education – what the cut will actually mean and how will schools fill the gap in provision.

#### **4.8 Housing (Appendix 5)**

- Homelessness/hostel budgets – concern that these services support extremely vulnerable people and that given policy and resourcing changes at a national level the number of people accessing these services will increase.
- Supporting People – that considerable savings were being proposed over a number of years and what would the cumulative impact be?
- Mears contract – clarification sought as to areas of contract renegotiation, use of incentivised payments and operation of contract.

#### **4.9 Culture, Recreation and Tourism (Appendix 6)**

- Library provision – extent of reduction to library services, including the mobile library. Possibility of this being run in different ways.
- Visitor Information Centre – debate regarding the rationale behind moving to a number of satellite sites and whether it will be better than a single centre. There needs to be a main site to direct visitors to.
- Sports Development Fund – questions as to whether different options for funding have been explored and general support for this programme at getting people involved in sports.

#### **4.10 Communities, Equalities and Public Protection (Appendix 6)**

- Equalities savings – clarification sought as to what the pilot has achieved and how the programme is being taken forward?
- Grants/third sector savings – general agreement that the third sector should be supported as should the grants programme.
- Community safety & the police – concern about the community safety programme support and how changes to police funding and governance will affect work in the city.

## **Appendix 1 – Timetable & Witnesses**

### **2<sup>nd</sup> December 2011, Committee Room 3, HTH – 3-5pm**

- Budget Process/Overall Financial Context/General Budget Proposals
  - Cllr J Kitcat, Cabinet Member for Finance & Central Services
  - Director of Finance, Catherine Vaughan
- Draft Budget Proposals Place
  - Cllr West, Cabinet Member for Environment & Sustainability
  - Strategic Director Place, Geoff Raw

### **5<sup>th</sup> December 2011, Committee Room 1, HTH – 2-5pm**

- Draft Budget Proposals Place
  - Cllr Kennedy, Cabinet Member for Planning, Employment, Economy and Regeneration
  - Strategic Director Place, Geoff Raw

### **9<sup>th</sup> December 2011 – Committee Room 1, HTH – 2-5pm**

- Draft Budget Proposals People
  - Cllr Jarrett – Cabinet Member for Adult Social Care
  - Cllr Shanks – Cabinet Member for Children & Young People
  - Strategic Director People, Terry Parkin
  - Director of Adult Social Care, Denise D'Souza
  - Geraldine Hoban, Chief Operating Officer, Clinical Commissioning Group

### **6<sup>th</sup> January 2012 – Committee Room 3, HTH – 2-5pm**

- Draft Budget Proposals Resources
  - Cllr J Kitcat
  - Strategic Director Resources, Charlie Stewart
- Draft Budget Proposals Place
  - Cllr Davey, Cabinet Member for Transport & the Public Realm
  - Cllr Wakefield, Cabinet Member for Housing
  - Strategic Director Place, Geoff Raw

### **9<sup>th</sup> January 2012 – Committee Room 1, HTH – 2-5pm**

- Draft Budget Proposals Communities
  - Cllr Bowden, Cabinet Member for Culture, Recreation & Tourism
  - Cllr Duncan, Cabinet Member for Community Safety
  - Strategic Director Communities, David Murray

### **20<sup>th</sup> January 2012, Council Chamber, HTH – 2-5pm**

- Panel meeting to agree final report and recommendations

### **31 January – Overview and Scrutiny Commission**

- Panel reports back to OSC with recommendations



**Appendices 2-6 – Minutes from the evidence gathering sessions.**

**Appendix 2 – Budget Overview and Environment and Sustainability**

**BRIGHTON & HOVE CITY COUNCIL  
SCRUTINY PANEL ON THE BUDGET PROPOSALS  
3.00pm 2 DECEMBER 2011  
COMMITTEE ROOM 3, HOVE TOWN HALL  
MINUTES**

**Present:** Councillor K Norman (Chair)

**Also in attendance:** Councillor Mears, Mitchell, Pissaridou, Summers and Sykes. Joanna Martindale ( CVSF Co-optee)

**Other Members present:** Councillors J Kitcat, West

**PART ONE**

**1. PROCEDURAL BUSINESS**

**1.1 Election of Chair**

Cllr Ken Norman was unanimously elected Chair of the Panel

**1.2 Declarations of Interest**

There were none

**1.3 Declaration of party whip**

There were none

**1.4 Exclusion of Press and Public**

As per the agenda

**2. CHAIR'S COMMUNICATIONS**

**3. DRAFT WORK PLAN**

3.1 Members noted the draft work plan. Cabinet Member Councillor Liz Wakefield was due to speak to a future Panel meeting and the date would be confirmed.

## 4. WITNESSES

4.1 Cllr Jason Kitcat, CM for Financial and Central Services (JK), and Catherine Vaughan, Director of Finance (CV) introduced the draft budget and took questions. (as did Mark Ireland, Head of Strategic Finance and Procurement: MI)

4.2 JK told panel members that this was the first time that the council had prepared a two year budget, and the first time that draft budget papers had been ready for early December. The draft budget had been developed via a 'star chamber' process with council departments, and there had been on-going consultation with unions, the local community and voluntary sector, the City Assembly and members of the public. Scrutiny comments were welcomed.

4.3 JK set out the three underlying principles to the budget:

Protecting services for children and young people  
Efficient use of public money  
Promoting partnership working

4.4 In addition, particular care had been taken to protect services to carers, ASC services, youth services, staff terms and conditions (including the introduction of a Living Wage), homelessness grants, the Supporting People programme, the Community Grants programme and the council's commitments to sustainability. Given reduced central Government funding, this necessitated efficiencies and changes being made across all areas of the council's work.

4.5 JK and CV answered members' questions. JM asked how replies from consultation events around the City were being dealt with; would they be reported?

a) MM: equal pay reserves?

CV: reserves for single status will be reviewed – currently the position is the same as was reported to Audit Committee Sep 11

b) MM: redundancy reserves?

CV: 3.5M was set aside for 11/12, of which approx 500K remains. There are still some outstanding issues, as not all staff who indicated a willingness to take voluntary redundancy have yet completed the process. This will therefore need to be reviewed before the final Feb 12 Cabinet decisions. Currently the draft budget proposes allotting an additional 700K to these reserves for 12/13.

c) MM: ongoing savings from previous (11/12) budget from recharges?

CV: any savings would already have been included.

d) MM: Seaside Towns funding?

CV: most has been allocated, but not necessarily spent. The draft budget makes no proposals to re-allocate this funding, so the current spending plan still stands.

e) MM: number of vacant posts?

CV: this is not easy to assess, as it is complicated by the ongoing voluntary severance scheme – in some instances it has been decided to retain a post made vacant by voluntary redundancy, and to make savings by deleting the former post of successful applicants to the vacant post. Until this process has been completed it will therefore not be possible to give a firm figure for vacancies. However we will do some analysis to help scrutiny understand the position.

f) MM: new homes bonus?

CV: provisional announcement now made of 425K is slightly higher than expectations, not currently built into budget assumptions

g) GM: have all planned 11/12 savings been made?

JK: TBM forecasts an overall underspend, but not all departments have reached their targets (e.g. in terms of voluntary redundancies).

CV: it has not been possible to make some 11/12 savings (e.g. carbon reduction and procurement), and these are included as separate costs in the budget papers. There is still ongoing work on some admin and management savings, but all are achievable, bar some savings for the Children's Delivery Unit which have been factored into the budget report.

h) MM: are these risks specifically addressed?

CV: yes, via TBM7 report – and the need to fund these pressures is factored into the budget report.

i) GM: has CYP made required savings?

JK: yes, and has in fact achieved more than required.

CV: Cabinet decided not to implement some 11/12 savings (e.g. closure of Brightstart) and these are included as separate costs in the budget papers.

k) OS: how has public consultation affected budget planning?

JK: a number of respondents were clear that they wanted the council to make decisions re specific planning – too complex an issue for non-experts.

However, responses make it clear that public wants to see front-line people-centric services prioritised, and this has been reflected in the budget plans.

We may see more specific views expressed now that people have a draft budget to interrogate – consultation is still ongoing and the council will respond to public concerns.

l) OS: how are demographic pressures calculated?

MI: this is a best estimate based on past trends, but will be revised in the light of emerging data.

CV: Successful implementation of the council's VfM plans should mitigate against the impact of demographic pressures – the budget pressures to an extent for 2013/2014 assume a scenario where mitigation has not been wholly

successful. The budget does provide more detail of this for 12/13, but this has not yet been factored fully into 13/14 planning.

m) CS: how were savings per department calculated?

JK: each department asked to model 5, 10 and 15% savings across 2 years. Decisions were then taken so as to allocate savings in the least damaging way across organisation.

n) GM: capital investment re schools?

CV: education capital budget sits in People section of budget, but information is not currently available to produce a full capital report. There are significant pressures re capital receipts, and there will need to be re-profiling if some expected receipts are not realised – however this is particularly a timing issue.

o) JM: what is planned % spend on voluntary sector?

CV: can get panel an approximation, although it may be very difficult to get an accurate figure as the financial system does not record information in this way, and BHCC may not be able to collate data using CVSF's preferred definition (i.e. orgs with charitable status). However, does not believe that sector has been disproportionately impacted. Will do some analysis to help inform scrutiny.

p) KN: commitment to protecting services for vulnerable people?

JK: yes, although cannot guarantee to protect all current services given size of financial challenge – i.e. 35M over two years. BHCC has actively looked at increasing income as well as making savings.

q) AP: how many posts to be reduced in 12/13?

JK: 100-120 in 12/13 plus approx 30 outstanding from this year's challenge.

4.6 The panel next heard from Cllr Pete West, CM for Environment and Sustainability (PW), and from Gillian Marston, Head of City Infrastructure (GMa) and Geoff Raw, Strategic Director, Place (GR).

4.7 PW told the panel that this had been a very challenging process. Priorities included:

Minimising impact on workforce

Introducing a food waste pilot

Making parks more sustainable

Investing in infrastructure (e.g. street lighting)

4.8 The need to make savings had resulted in plans to reduce the number of public toilets in the city – city has many and not all are well-used. PW recognises that this is a contentious issue and welcomes public ideas on this (although it has to be recognised that identified savings will have to be made somewhere).

a) GM: have additional costs (vandalism) been factored in re plans to have some unattended toilets?

PW: yes.

b) GM: cityclean savings: how many rounds will be taken out of refuse collection?

GMa: 4 rounds (1 refuse, 3 recycling) – will require re-organisation across city – the number of rounds could change as the work is mapped out. No redundancies planned.

c) GM: commitment to continue weekly collections?

PW: yes, committed to maintaining weekly collections for 12/13. Plans for future years will depend on success of food waste pilot.

d) GM: less reliance on agency staff re cityclean?

GMa: yes, costs can be reduced here, although it is necessary to provide cover for sickness and leave.

e) GM: street cleaning reductions?

GMa: yes, but haven't reduced for several years, and confident that staff levels can be reduced without significant impact upon services.

f) GM: street lighting – is condition of posts still a problem and will maintenance continue to be outsourced?

PW: need to address long term neglect of this infrastructure – will look at capital investment here.

GMa: current maintenance contract still has approximately 2 years to run.

g) CS: how was toilet use assessed (esp. for parks)?

PW: there's no measure of volume of use as such, we rely on managers' experience. Have tried to plan closures to minimise impact – e.g. by signposting availability of toilets in nearby BHCC buildings (i.e. proximity of Hove Town Hall will allow week day closure of Norton Rd toilets).

h) JM: has BHCC explored possibility of encouraging 'friends of' groups etc to get involved in toilet provision in parks?

GMa: this isn't an easy community participation activity to sell. The council already tries to think innovatively about park toilets – e.g. encouraging firms leasing park cafes to take on toilet maintenance.

i) MM: what saving will be achieved here?

GMa: estimate 163K

j) AP: planned cuts to coast protection – how will this impact on costs to BHCC and local residents of flood insurance?

GR: although listed in the budget as coast protection, most savings will be made by reducing maintenance of seaside railings, street furniture etc rather

than actual coastal defences. Will pick up on potential for additional insurance costs to BHCC.

PW: no intention to increase flood risk: savings will be carefully targeted.

l) AP: allotments – will cuts impact upon poorer people?

PW: concessions will remain; increased costs will reflect actual cost of provision rather than being subsidised.

m) AP: City in Bloom?

PW: would like to encourage more business funding here. Unfortunately, hard choices need to be made, and budget does a good job of protecting parks funding.

JK: auctioning mayoral number plate will raise funds for community groups – this could potentially include City in Bloom.

n) OS: reduced waste PFI costs?

PW: less waste being produced has led to lower costs and high energy prices have meant that electricity generated at Newhaven has brought in additional income.

MI: electricity generation income has always been factored into the contract, but BHCC's calculation of this has differed from Viola's. However, recent legal advice supports the council's model for this calculation.

o) AP: possible impact on tourism as a result of cuts in city cleaning?

GMA: we do monitor this closely. There has not been reductions in street cleansing following the introduction of wheelie bins and communal bins and these help and should mean less of an impact..

PW: public have to recognise their responsibility here: if people didn't drop litter there would be less need for street cleaning.

p) Thurstan Crockett, head of Sustainability: welcomes additional funding for sustainability – will be used to replace time-limited grants funding. Focus will be on embedding sustainability in BHCC and the city as a whole.

## **5. ANY OTHER BUSINESS**

5.1 The next meeting is on Monday 5<sup>th</sup> December at 2pm in HTH

The meeting concluded at 5.00pm

## **Appendix 3 – Planning, Employment, Economy and Regeneration**

### **BRIGHTON & HOVE CITY COUNCIL SCRUTINY PANEL ON THE BUDGET PROPOSALS 2.00pm 5 DECEMBER 2011 COMMITTEE ROOM 1, HOVE TOWN HALL MINUTES**

**Present:** Councillor K Norman (Chair)

**Also in attendance:** Councillor Mears, Mitchell, Pissaridou, Summers and Sykes. Joanna Martindale (CVSF Co-optee)

**Other Members present:** Councillor Kennedy

#### **PART ONE**

#### **6. PROCEDURAL BUSINESS**

##### **6.1 Declarations of Interest**

There were none

##### **6.2 Declarations of party whip**

There were none

##### **6.3 Exclusion of Press and Public**

As per the agenda

#### **7. CHAIR'S COMMUNICATIONS**

7.1 Councillor Ken Norman, Chair, reminded the meeting of the main aims of the Panel. He confirmed that Councillor Wakefield's Housing portfolio was included in the panel's Work Plan for 6 January 2012.

#### **8. WITNESSES**

8.1 Councillor Amy Kennedy CM for Planning Economic Development and Regeneration (AK) reminded the meeting of her remit; it did not include Trading Standards, Environmental Health and Licensing which were the responsibility of Councillor Ben Duncan. She said maintaining Development Control capacity was especially important; effective ways of working and new technology were key.

8.2 AK was concerned about possible changes to the Planning Policy team, not least because of the need to produce a robust and timely City Plan. She said the Council had to be realistic in the current financial climate when there was little funding for development and inward investment opportunities. Regarding rationalisation of Capital Projects team she said capital projects can still be achieved by working 'smarter.'

8.3 AK answered the Panel's questions together with Jeanette Walsh Development Control Manager (JW), Geoff Raw Strategic Director Place (GR) and Cheryl Finella (CF) Economic Development Manager.

a) CS: ICT migration – a big change seemingly with relatively small savings  
JW: this project is due to be delivered in August 2012 and is a forward saving eg on stationery.

GR: it is part of a wider programme of reducing paperwork and improving efficiency.

b) GM: have other options been considered re: savings on major projects team. Potential sources of external income eg regeneration?

AK: there is almost no external funding at present. It is a very tough choice that will likely affect posts. There has to be a balance between front-line and non-frontline posts.

c) GM: is there adequate capacity and knowledge of staff in planning policy, economic development and capital projects?

AK: My portfolio pulls together officers from a number of teams with a wide range of skills which will enable us to review all major projects to identify those that are still viable in this economic climate.

d) MM: How many posts within your remit will be lost?

GR: Restructuring proposals will affect only a small number of posts (that are currently filled) and cannot be shared as they are subject to consultation

e) MM: How many posts in Planning and Public Protection are still vacant?

GR: A written answer can be provided.

f) KN: voluntary severance does not delete a post automatically, does it?

AK: No

g) AP: Is there a list of capital projects that are unlikely to go ahead?

AK: this is subject to review

h) AP: many posts seem to be proposed to be lost in your area.

AK: this is worrying; there are hard choices to be made.

i) KN: what are the risks to the Council of lost posts?

AK: There will still be capacity to produce the City Plan. Frontline services in Development Control (important both for the Council and for residents and developers) remain relatively unscathed under these proposals

j) CS: Do we have the capacity to carry out the Duty for neighbouring authorities to work together?

AK: there is good cross-border co-operation already eg over Shoreham Harbour, Waste and Mineral Plan and National Park Authority. There is capacity to continue this regular work. There would be more pressure if the Council were to support Neighbourhood Forums. Neighbourhood Plans are being looked at, but because they can only be used to promote not prevent development they would not seem to me likely to be popular with many residents and personally at this stage I am sceptical about them for a number of reasons.



k) OS: Will a proposed reduction in technical posts mean this work will go to consultancies instead?

AK: No

l) MM: Will the Planning department still have the capacity and specialist expertise to deal with the volume and complexity of work?

AK: The capacity of the DC team is to be protected; we are looking only to reduce expenditure at senior levels. Expert knowledge exists across all the posts.

m) JM: I welcome close links with the Communities Team on new neighbourhood plans proposals. Joint working with Planning is important. Residents may well be interested in Neighbourhood Councils, eg in involvement in allocation of S106 funding. There are potential sources of European funding that can be accessed via community and voluntary sector.

AK: We are looking at how the Community Infrastructure Levy could be progressed alongside the continuing S106 regime and would welcome wider joint working on this.

n) GM: re redistribution of managerial responsibilities for senior DC and planning posts, what is meant by focussing on core aspects and non-statutory work?

JW: DC has strong management; there will be consultation on this. As the City Plan is following from the Local Development Framework there is a huge change in how plans are drafted and developed. Non-statutory work covers eg communications, graphics, graphic design work. There is no intention to reduce posts in statutory work (such as conservation areas and listed buildings enforcement).

o) CS: in EIAs – page 90 – what will be the effect of reducing the availability of advice on home adaptations?

GR: The Council provides housing adaptation advice to private sector residents. We are exploring the opportunities to safeguard further funding. The Council has policy documents in place 'Lifetimes Homes Policy' and at present an Access consultant works for Planning 1 day per week.

AK The Disability Discrimination Act is law and remains applicable to newbuild.

p) AP: What does the Ordnance Survey budget pay for?

AK: we think a reduction in OS fees (not jobs) can be achieved

q) GM: Economic Development Unit?

AK: we've been able to retain the ED budget which is relatively small but provides initiatives that we think can still make a big difference.

GR ED is central to the Council's being able to address increasing unemployment and increasing deprivation that impacts on the health and well-being of the local community and the pressures on many other local services. An investment prospectus for the City is being drawn up to promote investment and employment in the city.

CF: ED is involved in 3 main areas:

- 1) business support (eg 'Ride the Wave' workshops on networking, supply chains and business clusters; fledgling Environmental Technologies sector which is small but strong and bringing new business into the City; Creative Industries eg digital media and gaming plus performing arts and artists with the Arts Commission; talent scouts in music industry; and business improvement district to support retailers in the town centre)
- 2) skills (City Employment and Skills Programme and working with FE and HE sector to help grow the economy)
- 3) support infrastructure (Brighton & Hove Local Employment Scheme for recruitment and training in construction; an Investment prospectus for the City to develop a strong brand for business {alongside leisure}; showcasing the City and its skills offer including major EcoTec event in June relating to environmental industries)

r) JM: how can we measure the impact of ED, on the wealth of the City?

CF: This is notoriously hard to measure but we do take feedback from the business community and engage with different groups eg re skills. We run questionnaires and an annual business survey. We can't always claim credit for increasing the economy but nor should we be held responsible when the economic situation deteriorates given this relates to the national and international situation.

s) JM: Adult Education doesn't seem to attract much funding. How can we help protect frontline services and support organisations?

AK: We are doing this, and emphasising access to education for all, as part of the City Employment and Skills Plan produced in partnership with City College and with the Universities and Amex.

t) JM: But it's difficult to implement a Strategy without resources

GR: Improving coordination and work by Director of People with schools and FE and HE means that more can be done without necessarily having to increase resources to help support children and young people, as much as we may wish to. CESSG is ably chaired by Phil Frier, Principal and Chief Executive of City College Brighton & Hove.

Chair: Thank you all for attending the meeting and answering questions. Thank you to the Press for being here.

## **9. ANY OTHER BUSINESS**

9.1 The next meeting would be on Friday 9 December at 2pm in HTH CR1.

The meeting concluded at 3.50pm

## Appendix 4 – Adult Social Care and Health & Children and Young People

### BRIGHTON & HOVE CITY COUNCIL SCRUTINY PANEL ON THE BUDGET PROPOSALS 2.00pm 9 DECEMBER 2011 COMMITTEE ROOM 1, HOVE TOWN HALL MINUTES

**Present:** Councillor K Norman (Chair)

**Also in attendance:** Councillor Mears, Mitchell, Pissaridou, Summers and Sykes

**Other Members present:** Councillors Jarrett and Shanks

#### PART ONE

##### **10. PROCEDURAL BUSINESS**

10.1 There were no declarations of substitutes, declarations of interest or declarations of party whip.

**10.2 RESOLVED;** that the press and public be not excluded from the meeting.

##### **11. CHAIRS COMMUNICATIONS**

11.1 Councillor Ken Norman, Chair of the Budget Scrutiny Panel, welcomed everyone and reminded the meeting of the aims of the Panel:

- To provide cross-party challenge to the budget proposals brought forward by the administration.
- To understand the cumulative affect of budget cuts across the council, city, for service users and providers.
- To begin looking at public service budgets across the piece – fire, police, health
- To make recommendations to Cabinet as to how to improve the budget

##### **12. WITNESSES**

12.1 Councillor Rob Jarrett (RJ) told the meeting that proposed savings were inevitable within Adult Social Care and Health as these service areas represented a large part of the Council's overall budget.

12.2 The underlying principle was that services remain wherever possible and would be delivered more efficiently. Savings would be sought when contracted out services eg in Home Care were due for renegotiation. The Council relied on having the right in-house expertise; internal structures were being looked at to ensure the right numbers and levels of officers. Savings would be made in external contracts wherever possible.

12.3 The Council had a statutory duty to provide care and Brighton & Hove faced some significant demographic pressures; eg there were relatively large numbers of people aged 85+ many of whom had significant health needs and a rise in the numbers of adults with learning difficulties surviving into old age

and a related rise in cases of dementia. So although some significant savings had been identified, this did not mean that the total budget had reduced.

12.4 Raising the service eligibility threshold from 'substantial' to 'critical' had been considered and judged to be a false economy in that service users then would tend to return with more severe problems later on. It is intended to take a preventative approach.

12.5 Compared with other areas Brighton & Hove is known to have significantly higher than average costs per individual, particularly for learning disabilities.

12.6 There are proposals to make savings on accommodation arrangements. Various parts of the City have relatively inefficient buildings, some of which are small and underused so reducing unnecessarily high overheads is key. This would involve rearranging some locations and potentially cause some dislocation to service users. A suitable consultation period was being planned.

12.7 Other efficiencies were planned by using new technologies eg in Home Care, helping people to stay in their own homes. Telecare can be used to reduce the number of home visits needed to ensure a person is OK, resulting in savings without loss of service. Simplifying the range of payment rates in new Home Care contracts would also bring about some savings.

12.8 Community Meals was another area of potential savings, pending the outcome of the current scrutiny process. The option of a new contract would be explored.

12.9 Councillor Sue Shanks (SS) pointed out the wide service areas covered by schools, early years and youth budgets. She said national funding was increasingly being switched from local authorities to individual schools and academies with cuts to spending on eg education welfare, school improvement and early years training subsidies. Councillor Shanks focussed on some of the key areas.

12.10 Some of the Children's Centres did not provide a full range of services and had become expensive to run. For the relatively large numbers of looked after children currently in Brighton & Hove, more learning interventions were being planned to help reduce escalation of service needs. In-house fostering would be used more in future and this was less costly.

12.11 Youth services were shown to be effective, especially at traumatic times in people's lives and the Council would look to protect these; in particular by bringing together commissioning for sports and play services across the City.

A small reduction in employability service was being proposed as schools were increasingly taking responsibility in this area and children staying in school for longer. It was planned to bring together employment services in Housing and Supporting People to cover both young people and older age groups.

12.12 Councillor Shanks said she was keen for schools to stay within the local authority however there were national pressures and a school places commissioning group was established.

12.13 Geraldine Hoban (GH), Chief Operating Officer for Brighton and Hove's Clinical Commissioning Group gave the background to the changes to commissioning for healthcare within the City. She confirmed that the CCG was working closely with the local authority on both the adult and children's Section 75 and on the Commissioning Strategy and Improvement Strategy. She said that joint governance and decision-making process were in place and the budget proposals were aligned with healthcare processes.

12.14 She confirmed that from an NHS perspective she was confident that the commissioning proposals would not adversely affect health or the local health economy. As with the approach in health, benchmarking had enabled 'outliers' to be identified, so that better value for money could be achieved. She noted that within the budget proposal there were also investment areas.

12.15 The level of spending on carers would be maintained; there would be changes to how these services are accessed. Mental health was a priority and more funding was being put into this.

12.16 Re-ablement funding was being re-aligned with £3.2 million being passported to the Council including £500k for work on prevention - enabling access criteria to be maintained. Whilst this year there would be a reduction of £130k in this pot she felt confident it could be managed.

12.17 There would be a specific focus on Children's health within the CCG, and Geraldine Hoban said they would want to work very closely with the Council on proposals around Children's Centres. Among the aims of the clinically led working group on Children that will be established this year is to improve the relationships and connections between primary care and the Children's Centres and to ensure community health services are working to keep children out of secondary care whenever appropriate.

12.18 Cabinet Members answered questions from the Panel together with Denise D'Souza, Lead Commissioner Adult Social Care and Health (DD), Terry Parkin, Strategic Director (People) (TP), James Dougan, Head of Children and Families (JD) and Jo Lyons, Lead Commissioner, Schools, Skills and Learning (JL).

a) MM: No reference to S75 in the ASC Strategic Financial Context (p35)?  
DD: this will be set out more clearly when the proposals go to the Joint Commissioning Board.

b) MM: Savings in the assessment budget (p36)?  
DD: Some of the £200k savings would be found within joint arrangements eg some growth in budget for mental health assessment.

c) MM: Bringing 'in line,' support for the Learning Disability Partnership Board (p36) ?

DD: This budget has been underspent for 2 years. The proposals are adequate to support the LDP Board and consultation.

d) MM: '£50k savings' appears to be a general 'accountancy' number – are these reliable figures (p37, p40 )?

DD: The figures in such a large budget are 'rounded.' There are detailed budget sheets behind each of these.

e) MM: Are these deleted or vacant posts?

DD: A review of support services is in progress; more information can be provided following consultation.

f) MM: How many units would be taken out of Housing Stock for 'extra care' (p38)?

DD: Brighton & Hove is still an 'outlier' regarding numbers of older people in residential care. At current rates the numbers will have increased by 700 people by 2013. The Housing Commissioning Group is looking at a range of options for around 15 units locally at present. No decision on providers of housing has been made and other residential social landlords are also being looked at.

g) MM: Concerned about proposals affecting people with disabilities (p40)

MM: Details in EIA – question 'no' impact eg on transgender, ethnicity groups (p119): 'no' impact on older people (p121) EIA 'to be completed' (p123). Some comments may be misleading.

h) RJ: This budget has been prepared sooner than usual and the EIAs are still developing.

DD: Services would be clear about the potential impact regarding individuals but these EIAs are for budget scrutiny and would be enhanced for budget council.

i) GM: Timescale and achievability for reducing the numbers of people in residential accommodation (p38) ?

DD: Despite developing 200 extra places (eg Patching Lodge, Vernon Gardens) we are still short by around 200 units and the number of people aged 85+ is growing. 15 extra people are in care every week; we are working on how to address this and will consult on proposals.

RJ: At present we have people placed as far away as Devon and this is extremely expensive per person although only a few individuals are involved. We can manage transition better and by remodelling local provision we know we can accommodate people in Brighton & Hove, but this will take time.

j) GM: All current in-house provider services (bottom box p44) is this deliverable?

DD: This is for 2013/14, so there is a year to plan this.

TP: This is 'joining up' children and adult services better. Transitioning here is not as good as in some other local authorities; this is one of our biggest

weaknesses. Significant savings have already been achieved and we're confident further savings can be made.

k) GM: How will savings be achieved?

TP: We know that local provision can bring down costs significantly and improve the offer to the individual.

l) OS: Adults Assessment – meeting VfM target?

DD: Community Care is linked with Personalisation which is included in the summary of VFM gains (p29). This spending on Community Care eg on increasing independence via Telecare and other initiatives has been shown to be effective over the last 2 years and there is no reason to change this, but there is still more to do.

m) JM: We welcome protection of spending on prevention and we recognise budget pressures. How can we ensure that the quality of domiciliary care does not decrease?

DD: These are proposals covering 2 years; it is not intended to increase the eligibility criteria. Our demographics show that numbers of people over 65+ is not a significant issue, however the number of people aged 85+ is growing. The Community Care budget for older people continues to decrease and quality is an issue. We are moving to real time monitoring of care actually delivered and getting feedback from carers. The proposals are for more but different investment, targeting the most vulnerable.

RJ: There are savings planned on Home Care contracts but high quality is still expected. There will be encouragement for training and we are looking at ability to recruit staff at the right pay level. This is a key aim, but not in the budget papers.

n) JM: What is the nature of the cuts to the Learning Disabilities Partnership Board? A consultation is planned for next year – so is this a good time to make cuts of more than a half?

DD: The Board will still be supported but there will be less spend on infrastructure and funding targeted instead at specific initiatives, consultations and transitioning.

RJ: There was a small one-off discretionary grant for a pilot scheme. Individuals will still be supported including moving to employment. No reduction is proposed on advocacy or other support for individuals to participate.

o) JM: The Voluntary Sector has particular expertise in transition. How will integrated Transition be planned; what will be the impact on adult services?

JM: The EIAs need strengthening regarding older people. Referring to the questions for EIAs (p19) - have all the risks been identified in the services?

RJ: We want to make sure the EIAs work as they should but they are not perfect at this early stage. Any concerns that the Panel has on EIAs can be referred to Councillor Ben Duncan, either directly or at a Panel meeting.

p) KN: How are the Day Services proposals (p40) different from previous years? Any changes to mental health provision planned?

DD: There is a continuation in the service for carer relief but there is a relatively low occupancy rate and further reductions are expected in the personalisation budget. More preventive work and a move to more community-based options are expected.

GH: There are no firm proposals as yet. We plan to commission Depression services first and then we will look closely at Day Services this year via the Joint Commission Board with the intention of commissioning in 2013/2014.

RJ: Day Services will still be there for those who need them. But there are low occupancy rates and we want to reduce high overhead costs where possible, for example by reducing the number of buildings but still providing the service.

q) GM: No indicative savings for Youth Services for 2013/2014? Will these continue to be provided in-house?

SS: There are no proposals to reduce funding; the Youth Services Review has been published and we plan to work closely with the voluntary sector. Current staff are anticipated to stay employed by the Council.

r) MM: So Youth Services will continue to be provided in-house and there will be no reduction in funding to the voluntary sector?

SS: There is additional funding of £300k to grant aid more groups so there will be increased provision in this area and no reduction in funding. The Youth Services Review indicates area-based work which will bring services together and avoid duplication. Recommendations are being brought to 20 January CMM

JD: The CMM report will indicate how coordination is to be planned.

s) JM; How long will rollover last?

TP: Officer advice is that holiday schemes should not be put at risk so rollover is needed so that critical schemes can continue. This will take time and we are grateful to all currently involved for their commitment. We plan to stop providing advice on health and safety which most authorities stopped long ago.

t) GM: Does 'Transport' or 'CYP' subsidise school buses?

TP: I can confirm Transport is responsible to subsidise school bus routes and we have looked to ensure there is no double-subsidy. Our home to school policy is inconsistent with neighbouring authorities in that Brighton & Hove children receive funding to travel to schools outside the local authority area but children from elsewhere do not receive funding from their Authority to travel to Brighton & Hove schools.

MM: There is a range of different home-to-school subsidies paid, eg SEN and faith schools.

TP: Yes this could be made clearer in the papers. There are no hidden subsidies. We are taking a fresh look at bus routes. We are not good at supporting SEN independence and we're looking at how to improve this.

MM: Regarding transport to faith schools, some children outside the City Centre could be disadvantaged.

SS: There will be consultation on proposed changes.



u) OS: How will schools be able to take on more responsibility and can that be a seamless transition?

SS: we are working closely with schools and Head teachers

TP: The national picture is that local authorities will not be working so closely with schools in future, other than taking responsibility as a last resort.

JL: We have been working with Head Teachers for a long time, on these changes to support school-school support. There is a national and local push for being self-supporting. The local authority team is refocusing on commissioning and brokering partnerships.

TP: It is important to help schools prepare. The pupil premium will rise and school budgets will increase especially for those with high numbers of pupils receiving free school meals. For the local authority this means a large funding reduction for previously grant-supported services eg around ethnic minorities, school improvement and early intervention so the local authority team may need to reduce further.

v) KN: There has been significant interest in changes to the music service and the reduction in funding – would you like to comment on this?

TP: Funding for music has changed; Brighton & Hove Council provide one of the highest subsidies nationally on top of the ring fenced central government grant. The only reduction proposed is in the additional subsidy made available by the Council. The central government grant remains although now the music service has to bid to the Arts Council for it. The Council remains one of the larger funders nationally however despite this cut.

JL: We will be focussing on music provision for vulnerable groups including looked after children and youth offenders and for 2012-2013 will be looking to schools to do their own commissioning.

w) GM: How will the music service be protected in this budget?

SS: There is free tuition for children receiving free school meals and our Arts Council bid will emphasise vulnerable groups.

x) GM :Youth Employability savings (p52)?; and could external funding be sought?

SS Brighton and Hove Business Enterprise Partnership will be looking at increasing employment across the city; there will be more joined up provision. Joint commissioning will help make savings here. The Foyer is active in this area.

TP: This is an example of where early intervention from age 16 can give better outcomes. At present our performance is low - we need to ensure that more young people achieve 5 or more good GCSE grades.

y) JM: Are these Youth Employability Services figures the latest available and why are 4 CVSF posts proposed to the lost in 2012-2013 not shown as a saving (p52) ? Has the transitional funding of £200k all gone?

JD: The £200k was allocated to the voluntary sector for 2011-2012 as part of the transitional funding from Connexions service.

z) JM: we welcome the £300k new funding – how does this link with other grants programmes?

JD: This is a new pot of money for which the precise details are still being developed.

MM; What is the position regarding S75 funding and Children and Families Delivery Unit (p45)?

JD: The Cabinet report can be made clearer here.

aa) MM: Numbers of vacant and deleted posts in services for children with disabilities?

SS: This could be made clearer in the papers.

JD No cuts are proposed to voluntary sector in Youth services.

bb) MM: Reduction of £10k in adaptations?

JD: this is a small saving for year 2 (not year 1) in a much larger budget that we think will have least impact. Discussions are on-going via the Partnership Forum

TP: New technology will bring down slightly the cost of adaptation; an explanation can be provided.

GH: Most adaptations are from S75 funding; I will check this.

cc) AP: Savings in school Improvement and Inclusion?

SS: Schools will be able to buy local authority services back.

dd) JM: What changes will there be to contracting arrangements for Services for Disabled Children (p57)? The £120k proposed savings does not seem to be in line with the needs assessment. Why is the Voluntary Sector singled out for savings here or is there a proportionate reduction in in-house provision? Proposed savings could have a huge impact on staff levels and organisations' ability to survive. This would disproportionately affect parent carers and disabled children.

SS: the move to 2-year commissioning will help contribute to job security including in the voluntary sector, as well as cost reduction.

TP: Identified savings amount to only a small percentage of the total budget. Efficiencies will result from multiyear commissioning and joint commissioning with adult provision. New ways of commissioning will lead to improved services.

ee) JM: even relatively small cuts can impact disproportionately; not least because without core funding CV sector organisations cannot attract additional funding. The needs assessment has identified priorities and it should be followed. The service should be looked at as a whole, not just the voluntary sector.

JM: Where will the £192k savings on the early intervention fund be made (p49)? Also the £107k cut to CAMHs and TAMHs at a time of a 40% rise in referrals, including children, and the highest suicide rate for under-25s, in the UK

SS; At a national level, CAMHs was an initial pilot that was always due to end in March 2012. We have managed to find the money to support the continuation of the service albeit at a reduced level.

JD: Commissioning for Disability Services is actively being linked in with the needs assessments and the next stage is to look at targets. This could be made clearer in the Cabinet papers.

ff) JM: But the cuts appear to be prescribed to fall entirely on the voluntary sector, where they will have disproportionately greater impact.

JD: The savings are not new and have already been achieved via the EIG review. We can look at how the information is laid out in the table of savings description, impact and risk. (p49)

SS: a small funding reduction will be manageable, providing longer-term commissioning and security is achieved.

gg) MM: How many vacant and deleted posts are proposed in ASC and Childrens' Services?

TP: Across 'People' there are approximately 90 vacant posts and 45 unfilled vacancies. These are subject to consultation and detailed figures will be provided. HR can provide the corporate picture.

hh) OS: How can savings be achieved on asylum seekers without service impact (p56)?

TP: There are fewer asylum seekers and we are working more closely with West Sussex colleagues regarding people arriving at Gatwick airport but then presenting at Brighton.

12.19 Cabinet Members provided a summing up:

12.20 Councillor Shanks said the EIAs did not fully identify all equality issues but could focus on the main matters. She emphasised that it was a challenge to balance targeted work with individuals, with generic services. However she was satisfied with the proposals put forward, including looked after children and play services.

12.21 Councillor Jarrett said even though under difficult financial circumstances, the proposals fulfilled the manifesto commitment, protecting the most vulnerable and carers, and recognising the increasing value of community work. Equalities considerations had been applied across services so that wherever possible there was no disproportionate effect on any particular group. Savings would be applied without impacting on services, though the location or means of delivery might change or the profit line of contractors may be affected.

12.22 Councillor Ken Norman the Panel Chair thanked everyone for attending the meeting and answering questions.

### **13. ANY OTHER BUSINESS**

13.1 Members noted that the next Panel meeting will be on 6th January at 2pm in HTH CR1

The meeting concluded at 4.30pm

**Appendix 5 – Finance and Central Services, Transport and Public Realm  
& Housing**

**BRIGHTON & HOVE CITY COUNCIL**

**SCRUTINY PANEL ON THE BUDGET PROPOSALS**

**2.00pm 6 JANUARY 2012**

**COMMITTEE ROOM 1, HOVE TOWN HALL**

**MINUTES**

**Present:** Councillor K Norman (Chair) Councillor Mears, Mitchell, Pissaridou, Summers and Sykes. CVSF Co-optee Joanna Martindale

**Also in attendance:** Councillors J Kitcat, Davey, and Wakefield

**PART ONE**

**14. PROCEDURAL BUSINESS**

14.1 There were no declarations of substitutes, declarations of interest or declarations of party whip.

**14.2 RESOLVED;** that the press and public be not excluded from the meeting.

**15. DRAFT MINUTES OF THE PREVIOUS MEETINGS HELD ON 2  
DECEMBER, 5 DECEMBER AND 9 DECEMBER**

15.1 Subject the addition below at 15.2, the minutes of the three previous meetings were agreed and signed by the Chair.

15.2 It was noted that at the 9 December 2011 Panel meeting the reply to the question on youth contracts 'How long will rollover last?' was 'December 2012.' (Minute 12.18(s) refers)

**16. CHAIRS COMMUNICATIONS**

16.1 The Chair Councillor Ken Norman welcomed everyone to the meeting.

**17. WITNESSES**

17.1 Cabinet Members Councillors Jason Kitcat (JK), Ian Davey (ID) and Liz Wakefield (LW) introduced the budget proposals for their portfolios and answered Panel questions together with officers Geoff Raw (GR) Valerie Pearce (VP) Charlie Stewart (CSt) Mark Prior (MP) Gillian Marston (GMa) Jugal Sharma (JS) Nick Hibberd (NH) Sue Chapman (SC) and Catherine Vaughan (CV).

**17.2 Councillor Jason Kitcat (JK)** noted that the cost to the Council of Resources and Finance amounted to some £24million which was comparatively low, representing approximately 5% of gross spend.

**17.3 MM:** Why 'on-going' development in HR systems (p76)? Improving Council Tax collection rates (p79)? How many posts affected by reducing the costs of the Benefits Service? Withdraw ceremony room facility in HTH? Can £160,000 savings in fact be made on procurement? Reduced ICT Support for Members (p81)? Reduced legal support (p82)?

**JK:** The HR payroll system was more difficult to implement than expected and there was a backlog of data input. This budget is being resolved. Our benchmarking is good for HR Practitioners. Council Tax collection rates have improved and are expected to continue to improve, but more discounts are being applied for.

**VP:** Nine Benefits Service posts are likely to be affected and consultation is on-going. This has been planned for and reduction will be through natural staff turnover.

**JK:** Yes, the procurement savings can be delivered. It is feasible to scale back the current 24/7 ICT support for Councillors. Appropriate legal advice will still be available for decision-making where necessary. There is a separate risk allocation for (legal and democratic) localism issues. There is lower than expected take-up on weddings in Hove Town Hall.

**17.4 GM:** What potential is there for additional income from life events? Is there any scope to raise fees and charges because they are already generally considered fairly high? How secure are savings re fees from woodland burial site? Is registration service reorganisation linked with the Keep? Will savings from lawyers absent from meetings just be offset by an extra expense of bringing Downland Management in-house?

**JK:** Life event fees are considered comparatively low, with the exception of a few times of high customer demand eg high summer. A few additional services are being considered and proposals are being draw up. A possible move to the Keep might be considered for the future.

**VP:** For example, off-peak rehearsal room could be offered for a fee. There are ways to generate more income from wedding ceremonies in Brighton & Hove.

**JK:** No additional specialist legal services are expected to be needed relating to Downland Management.

**17.6 OS:** What alternatives have been looked at other than reducing costs in line with Benefits Service grant reduction – eg subsidy or savings from elsewhere? How can business rates collection savings be predicted? Could there be more savings from HR payroll system? Are Records Storage savings realistic? (p89) How would printing quotas work?

JK: We are introducing 'smarter' working but we can't find the proposed 10% reduction in government grant. Improved NNDR collection rates will be similar to improved Council Tax collection rates. A trial to limit printing is to be done. We are paying for the HR system through extra savings to be generated.

17.7 CSt: Additional resources were put to combining 8 payrolls into the new HR system 2 years ago and this has been a success. Savings were made then, with a reduction of 12 posts but 6 remaining post reductions are still outstanding. The data is scheduled to be input so that the planned savings will now be seen for 2013/2014. HR comprises 126 staff. That includes internal pay and pensions, health and safety and organisational development. It's not easy to compare with other authorities.

Record storage, including electronically, is costly. Conversion from manual to electronic records cuts costs. New technology can use the computer servers better.

17.8 JM: HR savings for 2013/2014 seem to be small compared with the HR budget and none are planned for this year. CVSF would like to know if more can be done to protect frontline services especially as there is a recruitment freeze. Also, will charities be affected by changes to business rates or will rates relief be maintained?

JK: £230,000 savings in 2013/2014 is not insignificant and income from job adverts can't be assumed to be maintained. 'Back office' costs are low and services are already working 'lean' with small budgets.

JM; I disagree. We think there should be more emphasis on protecting frontline services.

JK: We can get more efficiency. HR TBM has improved considerably during the year. There needs to be a balance between HR and the burden on operational managers.

CV: changes to business rates are planned, government controls the level of business rates and there is an incentive on how much is collected. There is an element of local discretion; this is unlikely to change.

17.9 OS: eliminate SLB consultancy budget? (p91)  
JK; this is only a small amount.

17.10 AP: Closure of operational buildings?

JK: We will try to let buildings where possible. Where buildings are not fit for purpose they may need to be demolished. There is no 'list' of buildings other than the Workstyles rationalisation of offices.

17.11 MM: Savings on Mayors' office?

JK: Small efficiency savings, catering etc that will not impact on the Mayor.

17.12 JM: Support for Partnerships (p83)?

JK: Discussions with Partners on rationalising are on-going.

17.13 Chair KN: which buildings may be demolished?

JK: I would take advice on each case eg redevelopment proposals for Woodingdean Library, Portslade Civic Offices.

17.14 MM: I am concerned about uncertainty over support for strategic partnership, especially in light of the EIA (p219)

17.15 **Councillor Ian Davey** (ID) outlined his portfolio covering transport, accessibility and improving public health through reducing congesting and pollution. Transport and the Public realm were often raised by Partners and he was working to reduce the impact of the budget proposals though still delivering savings. He aimed to protect the well-regarded transport planning and policy work in the City, saying there were better ways to fund traffic data and modelling.

17.16 Significant capital funding had allowed small revenue savings in road safety and accident investigation, the Sussex Safer Roads partnership contribution had been renegotiated in a move towards self-funding. Cllr Davey referred to Brighton Station Gateway and valley Garden proposals funded through LTP capital, and consultation on revisions to parking fees and charges. The Council subsidy to unviable bus services was also planned for reduction.

With Churchill Square and the Federation of Disabled People, different ways were being looked at to support the Shopmobility Service, that was originally fitted out with LTP capital.

The City has 605km of roads and 1,205km of pavements. Average annual capital and revenue spend has been about £7m in recent years and the proposed reduction in preventative maintenance was only a part of the overall spend on highway repairs.

17.17 GM: Having already made a large investment, will savings on transport modelling work restrict the council's ability to use the model effectively now? (p67) Savings on Shopmobility scheme are regrettable– can there be a re-think? Accident Investigation? Highways Maintenance preventative work? Street Lights? School bus routes/ children left standing at bus stops. SE7?

ID: Extra LTP capital funding has been used for data collection.

MP: The transport model is now complete. There is other funding to support it including from developers/ other contributors, in line with the business plan. The proposed savings are a relatively small reduction.

From 2003, Shopmobility was set up within the LTP as 'pump priming' with the intention to move to self-financing. Work is in progress with the Federation

of Disabled People and shopping centre freeholder to help identify extra funding to keep the Shopmobility scheme in operation.

Additional funding for accident investigation is being identified through joint working with the Sussex Safer Roads Partnership, which includes neighbour local authorities and Sussex Police.

The SE7 is a group of 7 local authorities in the Southeast that deals with various workstreams including Highways Maintenance efficiency, to share best practice and reduce costs. The L.A.'s on the group are East Sussex, West Sussex, Hampshire, Surrey, Kent, Medway and Brighton & Hove.

Officers will provide a reply on some operational issues with school bus routes.

A long-term programme is needed for street lighting. BHCC is looking at different forms of funding to deal with outdated lamps and unusual cabling arrangements.

GMA: There are 21,000 street lighting columns in the city and there have been improvements, but much of the stock is not in good condition. Capital investment eg via the carbon programme is needed.

17.18 Chair KN: I would be very concerned about withdrawing funding from Shopmobility that would affect accessibility to the City for many people.

GR: Different options are being looked at to help support Shopmobility, such as alternative premises and sources of funding. On street lighting, there is a backlog of different issues to be addressed.

17.19 MM; I am concerned at potential cuts to the transport model and to highway maintenance when we have received government funding to repair potholes, and when buses are getting bigger and heavier. Also subsidised bus routes and fees and charges for parking and permits. Lighting along Seafront and Marina.

GMA: A reduction is proposed in the £1.1m planned maintenance/re-surfacing programme. The urgent/safety maintenance programme that includes potholes and responsive repairs, amounting to some £1.6m is not proposed to change. There are other ongoing budget lines that also fund highways maintenance.

17.20 GM: Reducing planned maintenance will probably increase urgent work; is the Highways Asset Management Plan being updated? Will there be gains from the Utility companies?

MP: Yes we are looking at long-term investment through the HAMP. Works do reduce the life of a road and we can secure funding from utilities under the Traffic Management Act for specific instances. The Council's Traffic Manager



also coordinates our road works with their Streetworks to minimise disruption and damage.

17.21 OS: Coastal protection and the emerging Seafront Strategy? (p67)  
Faded road lining and signing?

MP; Savings on Coastal protection is coming from budgets intended for painting of the railings. The Seafront Strategy, though not the scheme itself, is funded via Environment Agency grant.

17.22 GM; No lining or planned maintenance of signage outside parking zones?

MM: No double-yellow lines?

GMA; Faded lining and signing will still be renewed where there is a serious safety issue, but not for other, more general requests

17.23 AP: Implications of savings in Road Safety Education (p67)?

MP: Speed awareness and speed courses will continue via the SSRP. We will work better with schools.

17.24 AP: So where will the savings be made? And what will be the effect on schools?

ID: The Council did not pay directly towards the SSRP until central government funding was stopped in 2010. Since then interim funding was agreed between the partner authorities. The SSRP is moving towards a self-sustaining business model in partnership with ESCC, WSCC and the Police. We are committed to better working with schools to encourage safe travel to school.

17.25 JM: Public and community transport is very important to outlying areas, especially for low income families. Is also used by lots of community groups. We welcome the consultation on subsidised bus routes and we would urge a thorough consideration of the EIA. There would be great benefits from a better joined-up approach and we would welcome greater economies of scale.

17.26 MM; working with CYPT on road safety education is unclear.

GR: Teachers, CYPT and transport professionals can deliver more and achieve efficiency savings by reducing duplication.

17.27 AP: So the savings are related to road safety education staff?

GR: A relatively small proportion of Road Safety education revenue funding will stop and be substituted just for this year, by capital spending from the LTP.

17.28 Councillor Liz Wakefield outlined her priorities; delivering well regulated affordable and energy efficient home, well managed Council homes, and targeting supported housing services to people in need. She said Housing was identified by the Director of Public Health as a 'vulnerability' in terms of resilience and a 'priority' in terms of infrastructure. There were significant challenges at a time of rising numbers of homeless people, increasing rough sleeping, rising fuel prices and increasing fuel poverty. She said the longer consultation and 2-year planning timescale gave more time to allow for the best budget for the city. The aim was to protect the most vulnerable and protect frontline services wherever possible

The Housing Revenue Account was a ring-fenced account that must be in balance. The proposals were to increase efficiency of Housing and Social Inclusion, by reducing maintenance unit costs., so that more resources go to frontline tenant services. Resources from the LDV, Brighton & Hove Seaside and Community Homes, would continue to be committed to ensuring all Council tenants can enjoy a decent home. Engagement with council housing tenants would be improved through tenant scrutiny. Multi-agency services were being introduced at the Whitehawk Hub, though there had been some teething problems with access. Financial inclusion was being promoted during a time of economic difficulty.

17.29 MM; the proposals, especially homelessness and supporting people, seem to adversely affect the more vulnerable and this is reflected in the EIA. Concerned about cuts staff reductions in hostel provision. If preventative work isn't done then funding could be withdrawn by CLG and costs will rebound on Adult Social Care.

JS: The Supporting People programme has been protected with an adjustment to bring forward some savings from year 4 to year 3. We are working with the support provider concerned; a risk analysis has been done. There was additional allocation of £1.3m for the anticipated rise in homelessness. There has been a reduction in staff but front line services have been protected.

The hostels budget is a challenge. Most of the savings can be found from non-frontline services eg lower salaries, efficiencies in maintenance.

LW: It is regrettable that cuts have to be made but it is being done in a way which is least harmful to the most vulnerable groups.

JS: There was an in-year reduction in grant. A waiting list built up and in December a decision was made to use New Homes Bonus funding for the capital programme so no-one was worse off and this is being processed. This is expected to dovetail with the Green Deal in about 18 months.

Chair KN: Savings on Supporting People will impact on social care services.

17.30 AP: How many job losses will there be? With cuts to housing benefit how can we provide the extra help that will be needed?

LW: There will be staff changes but no direct job losses. I am concerned at the rise in homelessness and we are looking at how to improve the way we deal with it in Brighton & Hove.

17.31 MM: So how are hostel staffing levels affected?

JS: We currently have 4 posts in the Private Sector team that are being deleted and the four staff have accepted new posts. Savings in Hostel staffing of some £46,000 apply to the whole staff budget, with reduced hours and lower pay scales so there are no redundancies or reductions in numbers of posts.

17.32 MM: It seems shortsighted to take posts from the private sector. The proposals mean there will be reduced Hostel services and this will impact on the vulnerable.

17.33 GM: How can the Supporting People budget be cut by £1m over 2 years 'with minimal risk'?

JS: This budget was known to be reducing by 4% per year or £550k per year over four years and the first 2 years have been implemented. The providers are reasonably confident that the business plan can continue during 2012/13 and 2013/14. It is a challenge to bring forward savings year on year but placements are being identified. This may take 18 months to resolve in two or three individual cases.

17.34 GM: Are there any funding streams to replace the housing-related part of the budget?

JS: A new regime is being looked at with providers for 2 years from now, so there is time to deal with this.

17.35 MM: Organisations are under pressure and can't manage if a year of funding is taken away.

LW: Our Supporting People programme is stronger than in many other local authorities.

17.36 MM: Mears Partnership repairs contract negotiations 'under way' (p63)?

NH: We are moving to open book accounting and achieving this level of savings via reducing overheads and reducing the unit costs of repair and turnaround of empty properties.

17.37 MM: Are the TUPE savings just adjustments after an underestimate?

NH: The final TUPE costs were less than we estimated which has meant that we have been able to fully pay the costs within two rather than three years.

SC: The estimate had been higher than actual as some staff had not transferred.

17.38 OS: A saving of £259k on £8m is not much. Is there scope for incentivising payment so that any future savings are shared with the contractor?

NH: Yes, this approach is built into the open book accounting model.

17.38 GM: Where is the LDV funding reported in the budget papers?  
MM: We should see the budget detail for the separate HRA account.

GR: This can be clarified for scrutiny.

17.39 JM: We are seeing more demand for advice services; so where is the housing element of investment on advice?

GR: Housing officers give advice and work closely with the voluntary sector on this. Also Brighton Housing Trust

17.40 JM: A lot more people need advice on debt, unemployment, changes to benefits that have a direct impact on housing. Where is the housing input on advice, with cross-cutting commissioning?

17.41 NH: We are working closely with the Advice Services Partnership.

GR A more detailed reply can be provided

## **18. RESPONSES VIA CONSULTATION PORTAL**

18.1 Panel members noted the consultation responses and asked for information on the cost of consultation. Any further queries would be sent to the Scrutiny officers.

## **19. ANY OTHER BUSINESS**

19.1 Members confirmed that they wished to receive written replies as noted during the Scrutiny review, and were reassured that answers would be provided.

19.2 The Chairman thanked everyone for attending the meeting. The next meeting would be at 2pm on Monday 9 January 2012.

The meeting concluded at 4.30pm

**Appendix 6 – Culture, Recreation and Tourism & Communities,  
Equalities and Public Protection**

**BRIGHTON & HOVE CITY COUNCIL**

**SCRUTINY PANEL ON THE BUDGET PROPOSALS**

**2.00pm 9 JANUARY 2012**

**COMMITTEE ROOM 1, HOVE TOWN HALL**

**MINUTES**

**Present:** Councillor K Norman (Chair), Mears, Mitchell, K Norman, Pissaridou, Summers and Sykes. CVSF Co-optee Joanna Martindale

**Other Members present:** Councillors Ben Duncan Geoffrey Bowden

**PART ONE**

**20. PROCEDURAL BUSINESS**

20.1 There were no declarations of interest or declarations of party whip.

**20.2 RESOLVED:** that the press and public be not excluded from the meeting.

**21. CHAIRS COMMUNICATIONS**

21.1 Councillor Ken Norman, Chair of the Budget Scrutiny Panel, welcomed everyone and reminded the meeting of the aims of the Panel:

**22. WITNESSES**

22.1 The Chair Councillor Ken Norman invited Cabinet Members Councillors Geoffrey Bowden (GB) and Ben Duncan (BD) to introduce the budget proposals for their portfolios. Cabinet Members answered Panel questions together with officers Strategic Director David Murray (DM) and Finance Manager Anne Silley (AS).

22.2 **Councillor Geoffrey Bowden** (GB) said local authorities were in an unprecedented situation, having to do more with less, continuing to provide services for those in most need and minimising job losses. The proposals were to maintain the cultural offer that was critical to the wellbeing of the City's residents and tourists. Some local authorities were closing libraries; in Brighton & Hove no libraries were planned for closure this year.

22.3 **Councillor Ben Duncan** (BD) said key principles included protecting the vulnerable, enhancing environmental sustainability and listening to people's

views. Proper scrutiny was helpful and constructive ideas were especially welcome he said. Though these budget lines were generally relatively small, the scope and reach of the effects was large and the impact high.

22.4 Cabinet Members answered questions accompanied by officers Strategic Director David Murray (DM) and Finance Manager Anne Silley (AS).

22.5 GM: Sports Development Fund – what options have been considered? (p97). Seafront Properties – is there good evidence for this anticipated income in the timeframe? (p98). Restructure Library service; what is the intention re opening hours? Would the hours all be the same? Staff costs could reduce but what about overheads? Is this sustainable? How do DAAT team reductions fit with Intelligent Commissioning pilot work? (p100)

GB: We can keep all 14 libraries open by making some costs savings in equalising branch library opening hours. There will be a new library in Woodingdean. Libraries are used 'outside hours' for other purposes as well. Yes we are confident in getting good incomes from The Wheel and from marketing the Peter Pan site. These will act as extra attractions for this part of the City. Sport England funding is also possible.

22.6 MM: Disappointed in reduction in sports development and mobile library. Shorter library opening hours will affect communities including learning/use of IT. How many vacant or non-vacant posts will be lost?

GB: These are difficult choices. We would like to hear constructive suggestions. The mobile library is near the end of life and costs £77k per year. A replacement would cost £120k. 865 people use it; 70% of whom already use static libraries and only 3 are housebound, who are served by our delivery service. All the remaining users are within 1 ½ miles of a static library. We are looking to develop libraries into access points/community hubs. There is a range of other providers of IT training, including the Third Sector.

Healthy lifestyles are important and we are planning that Take Part Festival of Sport will continue. We are looking at opportunities for other funding streams. I can't say how many posts are at risk; we will be going to consultation with the public and with staff.

DM: There has been much good work within the Sports Development Fund but that model will not be fit for purpose in 3 years' time. We are looking at realigning sports and coaching development, looking at other funding potential.

We are looking at all our buildings and expect libraries to continue to play a key role.

Where income estimates have been quoted in the proposals, these are not just rough figures but they are tested eg against national benchmarks. We have tried to avoid overestimates.

22.7 MM: concerned about reducing library hours and removing visitor information centre from Royal Pavilion (p102)

GB: We would like to extend library hours, but we have to use the budget effectively We have looked at the data including useage rates and plan to contact councillors in affected wards early in the process.

22.8 OS: When will the mobile library be lost?

GB: Woodingdean is having use of the mobile library in 2012/13 to provide temporary provision.

22.9 AP: Removal of Visitor Centre and use of 'satellite' premises? (p102)  
Reduced maintenance of King Alfred Leisure Centre?

GB: Subject to consultation, bring Royal Pavilion café to ground level for better access and to enhance shop business, freeing upstairs space for exhibits. Some partners eg hotels will welcome satellite visitor centres.

A capital sum has been set aside for the wet area of the pool that should reduce maintenance needs.

22.9 OS: How likely is a VAT cultural exemption for Royal Pavilion?

DM: We are optimistic and this should be resolved by end of financial year.

22.10 Chair KN: Will the satellite centres be staffed?

DM: We plan to continue providing visitor information and looking at different methods (such as on the Pier, visitor guides etc) and how best to meet the demand.

The new Seafront Strategy confirms the key importance of the seafront.

GB: New technology is another important way to bring information and services to residents and visitors

22.11 GM: Not convinced about removing VIC from Pavilion eg it is an important focal point for visitor arrivals. What about a kiosk, space in a local store or other fixed focus.

Is there a solution for retaining mobile library which has a substantial number of users. It lends itself eg to a co-operative provider?

DM: Visitor information centre proposals are for 2013-2014 and aimed at improving an already good service.

GB: We are open to ideas. High capital costs of mobile library but would like to explore options eg third sector.

22.12 JM: Concerned about poor adult education for the future in statutory and voluntary sectors. We need to look together at resourcing of training provision, especially in the Community and Voluntary Sector. CVS already provides services in library buildings. We should be looking at a wide range of potential services and the possibility of matched funding. The Communities and Equalities team are key players.

GB: We would like to discuss this.

DM: Volunteering opportunities are being developed too.

### **Communities and Community Safety**

22.13 AP: Equalities savings of £200K (p97) is not clear

GM: In view of the scale of the drug problem, how has the outcome from the IC pilot influenced the DAAT savings proposals (p100)? Are there more community safety synergies with YOT and other services?

BD: The approach taken is 'how to preserve and build on a service that is working well' rather than 'how much can we squeeze any service into a budget?' The Community Safety team programmes eg Family Intervention Project, Communities Against Drugs and DAAT provide measurable outcomes. Reduced funding of Sussex Police will have a large impact in the next few years and responsibility for delivery and funding of some community safety work is moving to local authorities.

There is scope for restructuring and working eg with YOT. Also via Public Health funding, Louise Casey, European and other funds. The majority of FIP funds is spent on just a few families.

There have been, and continue to be, significant changes to these service areas since these proposals were first drafted; eg the papers do not include any external funding.

DM: eg there will also be new opportunities via the Police and Crime Commissioner

22.14 MM: Equalities savings of £200K (p97) is not clear. The EIA refers to the end of the pilot. Has the £200K Communities budget line been spent? How does this link with CYP budget, and what has been achieved?

GM: It is the transfer of this budget that needs clarification.

BD: A written reply will be given.

22.15 OS: The second and third bullet point on p94 re 'reduction in specific grant funding' and 'tackling inequality and neighbourhoods?' Also as Community Safety savings are relatively small on a large budget (p100) - is greater investment needed for 'at risk' families? How can we fill the gaps?



BD: We can mitigate some of the impact of austerity/changes to housing benefits but it is not realistic to increase every budget as we would like. We are looking at how to get the most out of commissioning eg working with PCST and Neighbourhood Policing Team and refocusing community development work.

Our grants programmes are key to supporting many organisations and there are examples of an average 11x social return on investment. We are working closely eg with BHT and through the Advice Partnership re homelessness.

22.16 JM: It is helpful that the effect on resilience of CVS organisations is being acknowledged (p93). Our services often impact on equalities, one of the Council's corporate priorities. What thought has been given to increasing spend in the Third Sector? That does not seem to be reflected in the budget papers. I'm concerned about the effect of reductions in Annual Grants budget and City Communities Fund amounting together to £85k (p101) which seems to take away about a quarter of grants that are available to the very smallest organisations and will have a considerable impact. The priorities for this expenditure need to be more clearly justified.

I think the small savings from staff ( p97) would have a greater impact if spent externally.

This is a continuing theme – does CVS face disproportionate cuts? I'm grateful for the work now being done to draw out the figures for us, because until now expenditure and return on investment have not been recorded in that way. We think there should be continuous monitoring to show the real financial and social value of the Sector. We have evidence to demonstrate the impact and in an earlier session it was interesting to hear that Economic Development do not. We have a large reach on a small spend.

BD: We are carrying out SROI studies to measure outputs and I'm not convinced that Communities and Equalities are being disproportionately cut; these services do need to be protected. We are taking a realistic approach reducing expenditure and taking the impacts into account. There is still a range of grants available amounting to around £1.5m annually but they are not immune from savings although we are restricting the reductions as much as we can. The 2-year budget process still allows for flexibility. For example Community Development commissioning cannot be fixed too far in advance.

The Access Manager post is already vacant and by working differently we've been able to ensure that those services are unaffected. It is difficult to disagree with that approach.

DM: There is still some way to go in working with the CFVS; the Council has to be clear about what it is buying and that commissioned or procured services are as effective as possible. This requires more joining up. We also need to be clear what lies behind various costs. For example, one Authority

(Lambeth), passports significant funding to CFVS to run its services – but that includes services like libraries so figures are always worth delving into.

22.17 JM: Core investment by the Council to the sector allows additional funding to be leveraged in. Various funding opportunities are being lost in this way for training provision for instance. A community organisation, once lost, is unlikely to revive. There should be strategic agreement on the priorities that need support and sustaining.

DM: We recognise the worth of the sector and that's why we continue to be keen to work with agencies like CVSF. We also recognise that the sector itself needs to change because many agree that, for example, consortia ways of working - that streamline how the Council and other partners work with a sector that is currently vibrant and diverse, but complex and fragmented - needs to happen.

22.18 MM: The whole picture needs clarity because the voluntary sector has to make plans.

BD: Cabinet will be considering the grants programmes

22.19 AP: Reducing allocation to FIP would have a disproportionate effect on women as seen in the EIA (p224)

BD: This is a good example of our approach to an area that is an absolute priority; working with families with the greatest problems and leading to the greatest expense; making proposals, assessing the impact and looking at alternative funding or provision. This work is not being reduced but done differently by closer integration with Partners. These budget line proposals give bald figures and it is a rapidly changing picture since the papers were drafted. We're adopting strategic ways to reduce domestic violence at little cost and showing measurable outcomes

22.20 AP: So what has changed?

BD: The figures are presented by budget streams and not individual projects. We are actively looking for external matched funding for work with at risk families. Some of the EIAs will be developed further. Also, some responsibilities will change from November with the advent of the Police and Crime Commissioner.

22.21 MM: But none of these needs are new, so what is the timescale?

DM: Services for some vulnerable families are very costly. Government funding is being discussed at SLB later today. We want to take a fresh look at the families concerned at the same time building on what we already have. We have to be sure of the outcomes needed locally for the City, not only the outcome needed nationally

22.22 JM: What is the effect of the new public health budget? How will it be used? Will scrutiny get information?

BD: The public health budget is not yet known. 2012-2013 will be a 'shadow' allocation and the funding will be ring-fenced. The information will be provided if it's available before this scrutiny panel ends.

22.23 GM: Members will need to be sure exactly what is being proposed.

22.24 Chair Councillor Ken Norman thanked everyone for attending and answering questions, especially members of the public present.

### **23. ANY OTHER BUSINESS**

23.1 Members noted that the next meeting on 20 January would be a non-public meeting to consider draft Panel recommendations.

23.2 Additional Papers had been circulated to Members as follows:

Letter re; Music Service  
Letter re: Community Transport and  
CVSF Position Statement.

The meeting concluded at 4.15pm

## **Appendix 7 – CVSF Position Statement on the BHCC Draft Budget 2012/13(14) 11 January 2012**

### **1. Aims of CVSF in BHCC draft budget scrutiny**

CVSF<sup>i</sup> seeks to exert as much influence as possible during the budget scrutiny process to ensure that priority services, delivered by the community and voluntary are protected. We will:

- Maintain clear & transparent communication with all political parties on Brighton & Hove City Council and retain political neutrality
- Aim to protect the sector from disproportionate cuts
- Aim to protect the grants programmes from disproportionate cuts
- Collect & present supporting evidence

### **2. Overview of members' views**

Whilst we are grateful for the ongoing commitment to maintain the grants programmes in 2012/13, our membership believes that small volunteer run services need greater support than ever from the City Council. The loss of national funding in adult learning means that the training provider that many volunteer run organisations relied upon is closing, in addition thresholds for other grant streams are rising. This part of the sector delivers thousands of volunteer hours which benefit the city's economy and quality of life. We urge the City Council to commit to protecting the grants programmes for 2013/14 and, in addition to help find a way to ensure that the training required for volunteers is available on a no-cost basis.

Our membership do not see clear evidence of a desire to invest more in preventative community led services in this budget, we believe that it does not go far enough to shift the emphasis from high cost crisis service provision. We believe that this is only achievable through a partnership approach with the sector and investment should reflect this. In young people, prevention of homelessness and Supporting People in particular the preventative community-led services provided by our members are impacted by this budget. We believe that by working to reduce Council overheads these services provided by non-profit providers could be protected. These voluntary sector cuts impact not only on service provision itself but on the ability of these providers to lever in vital resources to the city.

### 3. Key recommendations of Brighton & Hove's community and voluntary sector:

1. The open manner in which the budget proposals have been brought forward is to be welcomed and built-upon in future years. The sector would welcome early dialogue on how this will happen with the proposed return to a committee system.
2. The impact and outcomes from all council spending (both internal and external) should be measured and clearly understood. More work is needed to make this a reality. We believe that this is an essential component to decision making on resource allocation and that this evidence should be open and transparent.
3. Budget reductions should be made in relation to priorities, impact and value for money. In-house services should not be protected at the expense of those provided externally merely because they are council-run.<sup>ii</sup> A cost-benefit analysis would be useful evidence in understanding these decisions.
4. Funding provided to the third sector should be monitored to ensure it is not disproportionately cut.<sup>iii</sup> The rationale for plans to reduce the grants programme in 2013/14 is not clear especially in view of corporate priorities.
5. 'Salami-slicing' still seems apparent within the budget. The sector does not believe the Star Chamber approach which was undertaken moves the BHCC forward from this process and favours parts of the organisation which have the resource to make a strong case rather than allocating according to need and corporate priorities. Given the scale of the cuts required to 2015/16 this is no longer a viable approach and work needs to speed up a cross council/partner approach.
6. In order to protect services the council will need to work more closely than ever with partner organisations. It is concerning that the council and partners are looking to reduce funding to partnership working.<sup>iv</sup>
7. We believe that reducing resources to the Learning Disabilities partnership, especially in supporting users and providers to participate in consultations is unfair when a major service redesign exercise is planned for 2012/13.

8. Work should be done to understand the impact on job losses in the community and voluntary sector throughout the budget reduction process. National research<sup>1</sup> suggests that the sector is losing 9% of posts, which is further and faster than reductions in the public sector. Our membership believes that this information, together with information on volunteer hours should be gathered locally as part of understanding the impact of decision making on our sector.
  
  9. The Equalities Impact Assessment once completed, should highlight any cumulative impacts on groups and, should identify older people and poverty as themes.
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<sup>1</sup> CVSF (Community & Voluntary Sector Forum) is the umbrella body for the city's community and voluntary sector. We have over 500 groups within our membership. [www.cvsectorforum.org.uk](http://www.cvsectorforum.org.uk) Twitter @cvsfbrighton Email [emma@cvsectorforum.org.uk](mailto:emma@cvsectorforum.org.uk) or telephone 01273 810230

<sup>1</sup> In particular the sector would point to the budget lines Children's Services on p 57 where £120,000 will be removed from the voluntary sector providers of services to children with disabilities. No clear rationale for this decision was provided during the scrutiny process. In addition the cuts planned for Supporting People and preventing Homelessness are concerns for the sector. A lot of this provision is carried out by the community and voluntary sector.

<sup>1</sup> The funding provided to the sector whether via grants or through service contracts should be properly flagged when entered onto the payments system.

<sup>1</sup> In particular the sector expresses concern about the proposed cut of £25,000 to the Policy Team of LSP/PSB support on p83

<sup>1</sup> NCVO Labour Force Survey <http://www.ncvo-vol.org.uk/news/people-hr-employment/charity-workforce-shrinks-nearly-9>

## Appendix 8 – Responses to outstanding queries from the Budget Scrutiny Panel

Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
2 December 4.5 e)	<p>MM: number of vacant posts?            CV: this is not easy to assess, as it is complicated by the ongoing voluntary severance scheme – in some instances it has been decided to retain a post made vacant by voluntary redundancy, and to make savings by deleting the former post of successful applicants to the vacant post. Until this process has been completed it will therefore not be possible to give a firm figure for vacancies. <b>However we will do some analysis to help scrutiny understand the position.</b></p>	<p>Vacancy information can only be reviewed periodically because although vacancies are identified within the corporate HR system, the action planned in relation to each vacancy is not recorded. Therefore, to gather information for the panel, we have reviewed all vacancies as at December 2011 (excluding Schools) and asked services to identify whether the vacancy will be:</p> <ul style="list-style-type: none"> <li>- Filled, if not already filled since December;</li> <li>- Deleted in respect of meeting Management &amp; Administration Value for Money savings requirements; or</li> <li>- Deleted in respect of meeting 2012/13 Budget Savings proposals.</li> </ul> <p>Only those posts that it is intended to fill will be available to the council's Redeployment Pool.</p> <p>In summary, the total number of vacancies at December 2011 was 285.03 FTE (Full Time Equivalent) posts. Of these vacant posts:</p>

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Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
		<ul style="list-style-type: none"> <li>- 63.85 FTE posts have been/will be deleted to meet 2011/12 Management &amp; Administration VFM targets;</li> <li>- 64.27 FTE posts will be deleted in respect of 2012/13 Budget Savings proposals;</li> <li>- 156.91 FTE vacancies are intended to be recruited to. Some will be filled by 'bumped' redundancies in other service areas resulting in savings elsewhere i.e. there will be limited external recruitment.</li> </ul> <p>The vacancies for each service unit are summarised at Appendix A.</p>
4.5 o)	<p>JM: what is planned % spend on voluntary sector?  CV: can get panel an approximation, although it may be very difficult to get an accurate figure as the financial system does not record information in this way, and BHCC may not be able to collate data using CVSF's preferred definition (i.e. orgs with charitable status). However, does not believe that sector has been disproportionately impacted. <b>Will do some analysis to help inform scrutiny.</b></p>	<p>Identifying expenditure on Community &amp; Voluntary Sector organisations is difficult as this information is not formally held in the council's financial systems. However, officers have worked with colleagues from CVSF to attempt to identify relevant organisations using the CVSF's on-line web directory. This data has been matched to our database of payments to all suppliers. The detailed payment information has been passed to CVSF colleagues and indicates that expenditure on CVSF associated organisations in Brighton &amp; Hove was approximately £25.8m in 2009/10 and 25.3m in 2010/11. Payments up to Christmas 2011</p>



Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
		<p>(£17.3m) indicate that expenditure in 2011/12 will be at broadly the same level. Excluding Schools and Benefit payments, expenditure on CVSF organisations represents approximately 12% of net service expenditure and 6% of gross service expenditure.</p> <p>The level of payments may change between years for various reasons including:</p> <ul style="list-style-type: none"> <li>- availability of one-off government grant funding each year for specific services or projects;</li> <li>- changes to specific government grants year-on-year (e.g. Supporting People Grant has been reducing year-on-year) as well as grants coming to an end;</li> <li>- decisions on the allocation of government grants and the council's Global Grants Programme funding;</li> <li>- changes in contractual arrangements with CVSF providers (e.g. changes in contractual arrangements for care services);</li> </ul> <p>Taking these factors into account it would appear that investment in Community &amp; Voluntary organisations has remained relatively stable over recent years despite some loss/reduction of grants such as Supporting People. The proposals for 2012/13 and</p>

Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
		<p>2013/14 indicate that there are savings proposals totalling over £2m of which some part may impact on CVS providers. For example, reductions in Supporting People Grant total £1.3m over the two years but this will affect a mixed economy of providers, including in-house services, and the precise impact on CVS and other providers will be dependent on final commissioning plans and performance assessment. Many other proposals will be subject to consultation and service redesign before the full impact on CVS organisations will be known. A list of the savings proposals where there may be a potential impact, whether service, contractual or financial, is provided. CVSF colleagues will be interested in the Equality Impact Assessments and consultation processes for these proposals.</p> <p>The savings proposals where there may be a potential impact on CVS organisations are identified at Appendix B.</p>
5 December		
8.3 e)	<p>MM: How many posts in Planning and Public Protection are still vacant?  GR: <b>A written answer can be provided.</b></p>	<p>There are 12.49 FTE (Full Time Equivalent) vacant posts in the Planning &amp; Public Protection delivery unit. Of these vacant posts:</p> <ul style="list-style-type: none"> <li>- 8.26 FTE posts will be deleted to meet 2011/12</li> </ul>

Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
		Management & Administration VFM targets; <ul style="list-style-type: none"> <li>- 1.60 FTE posts will be deleted in respect of 2012/13 Budget Savings proposals;</li> <li>- 2.63 FTE vacancies are intended to be recruited to.</li> </ul>
9 December		
12.18 r)	MM: So Youth Services will continue to be provided in-house and there will be no reduction in funding to the voluntary sector? SS: There is additional funding of £300k to grant aid more groups so there will be increased provision in this area and no reduction in funding. The Youth Services Review indicates area-based work which will bring services together and avoid duplication. Recommendations are being brought to <b>20 January CMM</b> <b>JD: The CMM report will indicate how coordination is to be planned.</b>	Copy 20 Jan CMM report to Panel
12.18 t)	MM: There is a range of different home-to-school subsidies paid, eg SEN and faith schools. TP: <b>Yes this could be made clearer in the papers.</b> There are no hidden subsidies. We are taking a fresh look at bus routes. We are not good at supporting SEN independence and we're looking at how to improve this.	Report wording to be reviewed for 9 <sup>th</sup> February Cabinet.
12.18 z)	JM: we welcome the £300k new funding – how does this	Report wording to be reviewed for 9 <sup>th</sup> February

Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
	<p>link with other grants programmes?            JD: This is a new pot of money for which the precise details are still being developed.            MM; What is the position regarding S75 funding and Children and Families Delivery Unit (p45)?            JD: <b>The Cabinet report can be made clearer here.</b></p>	Cabinet.
12.18 bb)	<p>MM: Reduction of £10k in adaptations?            JD: this is a small saving for year 2 (not year 1) in a much larger budget that we think will have least impact. Discussions are on-going via the Partnership Forum            TP: New technology will bring down slightly the cost of adaptations; <b>an explanation can be provided.</b></p>	Ongoing advances in the manufacture and design of adaptations continue to improve not only their effectiveness as products but mean they can also be procured at lower prices from the manufacturers.
12.18 dd) & ee)	<p>JM: What changes will there be to contracting arrangements for Services for Disabled Children (p57)?            The £120k proposed savings does not seem to be in line with the needs assessment. Why is the Voluntary Sector singled out for savings here or is there a proportionate reduction in in-house provision? Proposed savings could have a huge impact on staff levels and organisations' ability to survive. This would disproportionately affect parent carers and disabled children.            SS: the move to 2-year commissioning will help contribute to job security including in the voluntary sector, as well as cost reduction.            TP: Identified savings amount to only a small percentage of the total budget. Efficiencies will result from multiyear</p>	Report wording will be reviewed for 9 <sup>th</sup> February Cabinet.

Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
	<p>commissioning and joint commissioning with adult provision. New ways of commissioning will lead to improved services.</p> <p>JD: Commissioning for Disability Services is actively being linked in with the needs assessments and the next stage is to look at targets. <b>This could be made clearer in the Cabinet papers.</b></p>	
12.18 ee) & ff)	<p>JM: Where will the £192k savings on the early intervention fund be made (p49)? Also the £107k cut to CAMHs and TAMHs at a time of a 40% rise in referrals, including children, and the highest suicide rate for under-25s, in the UK</p> <p>SS; At a national level, CAMHs was an initial pilot that was always due to end in March 2012. We have managed to find the money to support the continuation of the service albeit at a reduced level.</p> <p>JM: But the cuts appear to be prescribed to fall entirely on the voluntary sector, where they will have disproportionately greater impact.</p> <p>JD: The savings are not new and have already been achieved via the EIG review. <b>We can look at how the information is laid out in the table of savings description, impact and risk. (p49)</b></p>	<p>Brighton &amp; Hove were participants in the Targeted Mental Health in Schools (TAMHS) 3-year national project to build whole school awareness of mental health issues, research effective interventions, and develop the emotional curriculum in schools.</p> <p>The national project and funding was scheduled to end March 2011. We therefore managed the local project to that timescale and in the second half of 2010/11 tapered resources down to one worker providing training and supervision in schools and liaising with the independent evaluators.</p> <p>Unexpectedly TAMHS funding of £157k was included in the Early Intervention Grant allocation for 2011/12. Children's services reviewed EIG funding (approx £10m) to ensure VFM and we were able to sustain the new approach to supporting children in schools, protect existing posts and make a low impact saving (schools aware) as follows:</p> <ul style="list-style-type: none"> <li>- £50k to support 2 posts: a project co-ordinator</li> </ul>

Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
		<p>and one additional Primary Mental Health Worker to deliver training, supervision and direct work in schools;</p> <ul style="list-style-type: none"> <li>- £107k recurrent saving from 2012/13.</li> </ul>
12.18 gg)	<p>MM: How many vacant and deleted posts are proposed in ASC and Children's Services?  TP: Across 'People' there are approximately 90 vacant posts and 45 unfilled vacancies. These are subject to consultation and detailed figures will be provided. <b>HR can provide the corporate picture.</b></p>	<p>Provided within the response to the vacancy information request above.</p>
6 January		
17.17	<p>GM: School bus routes/ children left standing at bus stops.  ID: <b>Officers will provide a reply on some operational issues with school bus routes.</b></p>	<p>This discussion was in relation to recent pressure to increase the number of school buses serving Longhill School from Whitehawk as some pupils were being left behind in the mornings. Up until now, there have been two service 72 buses on this route in the mornings and afternoons. One is provided commercially by B&amp;H Buses and the other is contracted to B&amp;H Buses by the Public Transport Team and paid for by the Home to School Transport Team, Children's Services.</p> <p>From 23 January 2012, Home to School Transport will be paying for a contract with B&amp;H Buses to provide an extra service 72 bus in the mornings to serve Whitehawk to Longhill. This was arranged in the first</p>

Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
		week of the New Year.
17.38	<p>GM: Where is the LDV funding reported in the budget papers?  MM: We should see the budget detail for the separate HRA account.</p> <p>GR: <b>This can be clarified for scrutiny.</b></p>	<p>With regard to the LDV, the repayment of one off resources to the council's General Fund is included in paragraph 3.31 of the 8 December Cabinet report.</p> <p>In respect of the lease premium income and related expenditure plans, this will be included in the HRA Capital Programme to be reported to Housing Management Consultative Committee on 6 February 2012.</p> <p>There are no additional costs in the General Fund revenue budget arising from the various commitments and guarantees given to the LDV. This is because on the basis of the information currently available at this time it is not considered that any risks will crystallise in the immediate future.</p> <p>Detailed information on the HRA Budget will be provided in the HRA Budget Report to Housing Management Consultative Committee on 6 February 2012.</p>
17.40/17.41	JM: A lot more people need advice on debt, unemployment, changes to benefits that have a direct impact on housing. Where is the housing input on	The Housing & Social Inclusion delivery unit works with the Advice Services Partnership to promote access to services which tackle financial exclusion for families

Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
	<p>advice, with cross-cutting commissioning?</p> <p>NH: We are working closely with the Advice Services Partnership.</p> <p><b>GR A more detailed reply can be provided</b></p>	<p>and adults on low incomes, especially those subject to multiple disadvantage. Housing &amp; Social Inclusion have recently worked with the Advice Services Partnership on the development of the financial inclusion Pathfinder projects which focus upon:</p> <ul style="list-style-type: none"> <li>- the promotion of financial inclusion through the provision of advice and information to residents;</li> <li>- helping the Advice Partnership to test new ways of working in response to the changing external climate (welfare reform, legal aid cuts etc.);</li> <li>- informing, through thorough evaluation, the Council's subsequent commissioning of advice services in the city.</li> </ul> <p>Housing &amp; Social Inclusion are engaged with the Families in Multiple Disadvantage commission; the Tackling Inequality commission; the Financial Inclusion Advice commission; and the current scoping of the impact of welfare reform.</p> <p>The HRA 2012/13 budget proposals include a contingency amount for investment in these commissioning priorities as they emerge through the current commissioning process, as part of a commitment to tackle inequality, and improve support for vulnerable families and adults on low incomes.</p>



Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
18.1	<p>RESPONSES VIA CONSULTATION PORTAL</p> <p>Panel members noted the consultation responses and <b>asked for information on the cost of consultation.</b> Any further queries would be sent to the Scrutiny officers.</p>	<p>Extract from Minutes of Council 15 December 2011. Item 42, Written Questions from Councillors.</p> <p>d) Councillor A Norman: "Can the Cabinet Member for Finance and Central Services please tell me the value of the contract that the Council has with the Democratic Society of Brighton &amp; Hove to run Budget consultation and other events across the City, when this contract was awarded and by whom?"</p> <p>Reply from Councillor J Kitcat, Cabinet Member for Finance and Central Services: "Brighton &amp; Hove City Council commissioned the Democratic Society to deliver 3 budget participation events, to take place over 3 days in November 2011 as part of our budget consultation work. The events ran alongside an online consultation using a budget simulation website provided by Delib. The offline exercise was structured in broadly the same way, and used the same spending data and division of services. The findings from this work will be included in the budget consultation information provided to support the authority's budget setting processes. The value of the contract with the Democratic Society for this work was £8000 plus VAT. The contract was agreed by the Chief Executive and</p>

Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
		<p>arrangements were finalised in the week commencing 6th October.”</p> <p>In addition to the costs referred to above, the cost of providing the Budget Simulator software (provided by DELIB) via the council’s web site together with the report and analysis of results by YouGov was £9,345.</p>
9 January		
22.14	<p>MM: Equalities savings of £200K (p97) is not clear. The EIA refers to the end of the pilot. Has the £200K Communities budget line been spent? How does this link with CYP budget, and what has been achieved?</p> <p>GM: It is the transfer of this budget that needs clarification.</p> <p><b>BD: A written reply will be given.</b></p>	<p>This response is currently being drawn up by David Murray, Strategic Director - Communities.</p>
22.16	<p>JM: It is helpful that the effect on resilience of CVS organisations is being acknowledged (p93). Our services often impact on equalities, one of the Council’s corporate priorities. What thought has been given to increasing spend in the Third Sector? That does not seem to be reflected in the budget papers. I’m concerned about the effect of reductions in Annual Grants budget and City Communities Fund amounting together to £85k (p101) which seems to take away about a quarter of grants that</p>	<p>Covered in CVS response above.</p>

Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
	<p>are available to the very smallest organisations and will have a considerable impact. The priorities for this expenditure need to be more clearly justified.</p> <p>I think the small savings from staff (p97) would have a greater impact if spent externally.</p> <p>This is a continuing theme – does CVS face disproportionate cuts? I'm grateful for the work now being done to draw out the figures for us, because until now expenditure and return on investment have not been recorded in that way. We think there should be continuous monitoring to show the real financial and social value of the Sector. We have evidence to demonstrate the impact and in an earlier session it was interesting to hear that Economic Development do not. We have a large reach on a small spend.</p> <p>BD: We are carrying out SROI studies to measure outputs and I'm not convinced that Communities and Equalities are being disproportionately cut; these services do need to be protected. We are taking a realistic approach reducing expenditure and taking the impacts into account. There is still a range of grants available amounting to around £1.5m annually but they are not immune from savings although we are restricting the reductions as much as we can. The 2-year budget</p>	

Meeting Date and Minute Item	Extract from Minutes (Responses required in bold)	Response
	process still allows for flexibility. For example Community Development commissioning cannot be fixed too far in advance.	
22.22	<p>JM: What is the effect of the new public health budget? How will it be used? Will scrutiny get information?</p> <p>BD: The public health budget is not yet known. 2012-2013 will be a 'shadow' allocation and the funding will be ring-fenced. <b>The information will be provided if it's available before this scrutiny panel ends.</b></p>	Shadow Public Health allocations are anticipated in the near future. More information will be added to the Revenue Budget Report if available in time for the 9 <sup>th</sup> February Cabinet meeting.

### Budget Scrutiny Panel 6<sup>th</sup> January 2012

Minutes 17.20

In relation to Utilities contributing to maintenance costs, there are certain specific incidents that are laid down in law/Code of Practice about where the council may charge utilities for resurfacing or ask them to make a greater contribution.

These are few and far between and usually refer to when the local authority is itself spending money on maintenance, for example, where both the utility and the highway authority contribute funds because the road was going to be resurfaced by the Highway Authority anyway and we simply combine costs of utility re-instatement with costs of resurfacing or where we have proven beyond doubt that the utility company caused the problem – which is difficult.

*Gillian Marston 11 January 2012*

## Appendix 8A

### Brighton & Hove City Council

#### Vacant Posts as at January 2012

(FTE = Full Time Equivalent)

Service	FTE Posts Vacant at January 2012	FTE Posts to be deleted (VFM savings)	FTE Posts to be deleted (Budget Savings)	FTE Posts to be filled *
<b>Commissioning Units</b>				
Children, Youth & Families	4.89			4.89
City Regulation & Infrastructure	3.81	3.81		
Communities & Equalities	0.41		0.41	
Housing	22.31	3.91	2.29	16.11
Learning & Partnerships	8.91	6.05		2.86
People	3.80	3.40		0.40
<b>Delivery Units</b>				
Adults Assessment	23.51	5.04	7.36	11.11
Adults Provider	27.52	4.41	0.50	22.57
Children & Families	39.66	4.60	3.80	31.25
City Infrastructure	30.28	3.00	12.28	15.00
City Services	32.01	7.60	16.22	8.22
Community Safety	3.00		3.00	
Housing & Social Inclusion	13.66		5.85	7.81
Planning & Public Protection	12.49	8.26	1.60	2.63
Tourism & Leisure	14.94	1.00		13.94
<b>Resources &amp; Finance Units</b>				
Finance Unit	12.59	1.00	4.00	7.59
Communications	0.57			0.57
HR & Organisational Development	7.08	3.65	0.83	2.60
ICT	7.68	4.00	1.00	2.68
Legal & Democratic Services	7.32	3.12	2.53	1.68
Policy & Performance Analysis	4.00	1.00	1.00	2.00
Property & Design	4.60		1.60	3.00
<b>Grand Total</b>	<b>285.03</b>	<b>63.85</b>	<b>64.27</b>	<b>156.91</b>

\* i.e. available to be filled by 'bumped' redundancies



## PEOPLE - Adult Social Care

## 2012/13 Savings proposals

Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Could saving impact on funding of CVS providers (Yes/No)	If Yes, what is potential impact
<b>Commissioner - People</b>						
Commissioned advice and support services to meet statutory obligations	590	Review of all contracts for services as part of commissioning plans and where appropriate re-specify contracts to meet changing needs.	Contracts are being reviewed and discussions with providers taking place, including tapering and re-specifying contracts/contract sums.	50	Yes	Discussion taking place with providers – also links to wider corporate work. Potential to affect all contracts including CVS providers.
Commissioned Community Meals service providing 85,000 meals pa	243	Review and Re-specify Community Meals. To consider impact of personalisation and the range of options that are currently now available.	Awaiting further feedback from Scrutiny (November 2011). Current contract extended to September 2012 due to capacity to tender	50	Yes (as current provider is WRVS)	Contract up for renewal so potential for significant change
Service specific Partnership Boards	232	Prioritise use of partnership funding to achieve 50% efficiencies.	Formalise arrangements to engage people with learning disabilities and family carers in commissioning and attendance at meetings, including review costs of project support to the	110	Yes	This is not related to the main Board but a small grant that supports specific pieces of work. It has been underspent for the

			Learning Disability Partnership Board. Would limit scope of partnership boards to consultations, 3rd sector providers could feel disengaged			last couple of years and therefore impact should be limited.
<b>Delivery Unit - Adults Assessment</b>						
The service has a duty to meet assessed needs of people with Learning Disabilities within the Fair Access to Care (FACS) criteria	Incl. below	Develop proposals to implement the Learning Disabilities accommodation and support strategy and consult on the options. Look to utilise the capacity in the city and operate a robust and appropriate service Key areas:- - Supporting move on to greater independence by increasing low level supported living options and modernising shared lives. - Remodel services to provide short term crisis support and for those with the most complex needs to reduce out of area respite and emergency placements. -Ensure provision is fit for purpose going forward	Detailed proposals to be taken to the Cabinet Member Meeting and Joint Commissioning Board for permission to consult and report back. Detailed implementation plans will need to be in place based on assessed needs of individuals.	75	Yes	There is potential for positive growth in CVS and independent providers here
				38		



The service has a duty to meet assessed needs of people with Learning Disabilities within the Fair Access to Care (FACS) criteria	Incl. below	Recommissioning of Independent Sector contract re Learning Disabilities Supported Accommodation at Sackville Gardens when current 3 year contract expires (December 2012).	Detailed proposals to be taken to the Cabinet Member Meeting and Joint Commissioning Board for permission to consult with tenants and service users and report back. Detailed implementation plans will need to be in place based on assessed needs of individuals.	15	Yes	Potential new provider
These services provide the statutory duty under the NHS and Community Care Act (1990) to assess needs and to provide services to meet those assessed needs.	52,601	Community Care. Scope potential to increase move on by: <ul style="list-style-type: none"> <li>- further focus on reablement activities</li> <li>- short term interventions</li> <li>- prevention activities</li> <li>- better use of Telecare</li> <li>- better use of in-house residential services</li> </ul>	Value for Money target/ Benefits Realisation  Enhanced reablement and better use of assisted technology to reduce numbers into residential/ nursing homes. Dependent on reviews and provider services	1,172	Possible	However, these are generally independent sector providers rather than CVS providers
Meeting assessed needs through Home Care	Incl. within Community care	Recommission Home Care to a new specification and let contract from 1 June 2012. .	New contract gives the opportunity to revise rates structure and to eliminate incentive payments.	280	Possible	However, these are generally independent sector providers rather than CVS providers
			Monitor impact of Electronic Care Monitoring System and impact of new contracts on savings. Risk that ECMS doesn't deliver or causes instability in the home care market	100		

# PEOPLE - Adult Social Care

# 2013/14 Savings proposals

Commissioner - People						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Could saving impact on funding of CVS providers (Yes/No)	If Yes, what is potential impact
Commissioned advice and support services to meet statutory obligations	590	Review of all contracts for services as part of commissioning plans and where appropriate re-specify contracts to meet changing needs.	Contracts are being reviewed and discussions with providers taking place, including tapering and re-specifying contracts/contract sums.	150	Yes	Potential to affect all contracts including CVS providers
Commissioned Community Meals service providing 85,000 meals pa	243	Review and Re-specify Community Meals. To consider impact of personalisation and the range of options that are currently now available.	Awaiting further feedback from Scrutiny.	100	Yes (as current provider is WRVS)	Contract up for renewal so potential for significant change
Delivery Unit - Adults Assessment						
The service has a duty to meet assessed needs of people with Learning Disabilities within the Fair Access to Care (FACS) criteria	incl. below	Develop proposals to implement the Learning Disabilities accommodation and support strategy and consult on the options. Look to utilise the capacity in the city and operate a robust and appropriate service Key areas:-	Detailed proposals to be taken to the Cabinet Member Meeting and Joint Commissioning Board for permission to consult and report back. Detailed implementation plans will need to be in place based on assessed needs of	100	Yes	There is potential for positive growth in CVS and independent providers here

		<ul style="list-style-type: none"> <li>- Supporting move on to greater independence by increasing low level supported living options and modernising shared lives.</li> <li>- Remodel services to provide short term crisis support and for those with the most complex needs to reduce out of area respite and emergency placements.</li> <li>- Ensure provision is fit for purpose going forward</li> </ul>	individuals.	50		
Meeting assessed needs through Home Care	Incl. within Community care	Recommission Home Care to a new specification and let contract from 1 June 2012.	New contract gives the opportunity to revise rates structure and to eliminate incentive payments.	120	Possible	However, these are generally independent sector providers rather than CVS providers
Meeting assessed needs		Short Term Services Review across integrated arrangements with health. This covers a range of both community and bed based services provided by a range of providers including the local authority. These services support hospital discharge, prevention of admission and reablement.	Review of Short Term Care services and support-development of proposals for consultation	100	Yes	2 small contracts are held with a CVS provider (£100k)

# PEOPLE - Children's Services

# 2012/13 Savings proposals

Commissioner - Children, Youth & Families						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Could saving impact on funding of CVS providers (Yes/No)	If Yes, what is potential impact
Early Intervention and Prevention	1,117	Recommissioning/service redesign of early intervention & prevention services as part of the review of spend from the Early Intervention Grant (EIG).	Reduced opportunities to strengthen early intervention services. No impact on posts.	192	Yes	Approx £20 to £30k impact. Specialist provision of parenting interventions are currently delivered by Amaze, Mosaic, Oasis & RISE
Delivery Unit - Children & Families						
<b>Childcare Workforce Development</b> - Commission and deliver training e.g. non-accredited short courses on Early Years Foundation Stage (EYFS) welfare requirements and for children under 3 inc safeguarding, 1st aid, Presens and Ethnic Minority	425	Reduce funding for training and bursaries by 50%. Restructure Childcare Workforce Development Team to reflect changes. Charge for some short courses.	Charging for some training courses will increase costs for childcare providers and may reduce take up. Reduced funding for bursaries for childcare qualifications will also increase costs for	212	Yes	Impact on CVS providers is estimated to be circa £35k

Achievement Service (EMAS) training, and bursaries for L2,3 and 5 childcare qualifications			providers and may reduce number of qualified staff. The Early Years Single Funding Formula within the Dedicated Schools Grant (DSG) should be reviewed to take account of these changes.			
<b>Graduate Leader Fund (GLF)</b> - provides incentives for childcare providers to support staff to become Early Years Professionals (EYPs) and to subsidise the costs of employing EYPs. Funds whole costs of 2 EYPs in very disadvantaged settings, £10k for an EYP.	464	Reduce funding by 60% and no longer fund the Early Years Professional network.	No funding for settings with staff on an Early Years Professional (EYP) pathway. Reduce level of funding for settings with EYPs with levels of funding graduated according to the number of disadvantaged children. Increased costs for childcare settings with EYPs. Research shows that children benefit particularly from a place at an early education setting with highly qualified staff, and that high quality early education is a key factor in closing gaps in attainment and improving school readiness of the neediest children. The Early Years Single	278	Yes	Potential impact on CVS estimated at £70k

			Funding Formula in the DSG should be reviewed to take account of these changes.			
<b>Youth Employability Service</b>	841	It is proposed in 2012/13 that a commissioning review takes place of the Youth Employability Service and the other employment/ apprenticeship/ economic regeneration activities within the council, with implementation in 2013/14. The reduction in Not in Education, Employment or Training (NEET) figures for young people in the city is heavily dependent on 3 factors; secondary schools, employment and training opportunities. Improvements in secondary schools are being led by the secondary schools commission to improve advice and guidance and positive destinations for young people. Improvement in training opportunities is being led by the 11-19 year old partnership. Therefore it is hoped to improve employment and support by recommissioning the Youth Employability Service and the other council activities around	The proposed savings of £30k in 2012/13 for the Youth Employability Service will have some impact on support for front-line services in terms of a reduction in training, publicity for engaging young people with the service and some ICT support. However the main front-line delivery of the service will not be greatly affected, with the same number of workers in post and working directly with young people aged 16-18 who are Not in Education Employment or Training (NEET) and young people with Learning Difficulties / Disabilities (LDD).	30	No – all CVS commissioned adviser posts for 2011-12 were funded by a one-off budget of £200K agreed by Council in March 2011. This was additional to the main Y.E.S. budget and was clearly identified as funding for one year only. The CVS contracts were let on that basis to end on 31/3/12. Funding will continue for the use of CVS premises	Nil

		employment and economic regeneration together. Synergies and cost savings will be realised alongside improving employment and apprenticeships opportunities.			at YAC (YMCA) and YPC (Impact).	
<b>Extended Schools - Start Up</b>	103	10% reduction in grants.	Small reduction in grant funding - only fund voluntary groups with most disadvantaged children.	9	Yes	Estimated impact of £5k

## PEOPLE - Children's Services

## 2013/14 Savings proposals

Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Could saving impact on funding of CVS providers (Yes/No)	If Yes, what is potential impact
<b>Delivery Unit - Children &amp; Families</b>						
Asylum Seekers	115	Reduction in service provision to children traumatised by events in war affected countries.	No service impact.	35	Yes (indirectly)	Impact on overall capacity to provide input to young people traumatised by events in war torn countries seeking asylum
<b>Childcare sufficiency and quality</b> - Support new and existing childcare providers, including childminders, to provide good quality and safe childcare, advice and sustainability funding to voluntary childcare providers, ensure sufficient places for all 3 and 4 year olds.	568	Further reduce quality support for childcare providers. Further reduce funding for sustainability. (Increases two year savings to 32%).	Reduced support for childminders and out of school providers could lead to reduction in quality of Ofsted inspections for childcare providers. Less support for voluntary settings may lead to closures and less choice for parents in disadvantaged areas.	80	Yes	Estimated impact of up to £30k



<p><b>Children's Centres</b> - 5 full offer CCs in disadvantaged areas, 9 smaller gateway CCs in other areas and 5 linked sites which are not designated. Offer a universal and targeted early years services. Buildings also host other Children and Families Service</p>	2,986	<p>Implement the outcomes of the consultation on the citywide strategy for children's centres. Increases the saving to 23% over 2 years.</p>	<p>Statutory guidance includes a presumption against the closure of children's centres. The revised strategy would need to demonstrate that the Council is still meeting its duty to provide sufficient children's centres. There is a requirement for local authorities to notify and consult with the Department for Education about any plan to transfer, dispose of, or change the use of buildings or any other tangible fixed assets which has a current market value of more than £2,500. The consultation will need to consider the delivery of universal health services delivered from children's centres. Reductions in funding will lead to less universal services for children under 5</p>	642	Possible	<p>Impact not known – will depend on outcome of the consultation process</p>
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			and their families. Reductions in the number of children's centres may make it more difficult for vulnerable families to access children's centres and lead to worse outcomes for young children.			
<b>Services for Children with Disabilities</b>	5,695	Implementation of Disability Commissioning Strategy	Implementation of the Disability Commissioning Strategy will: introduce personal budgets; drive further integration across health, social care and education provision; and promote resilience of parent carers. Efficiency savings achieved by remodelling across all providers will: prioritise support to families to keep their children at home, ensure all commissioned services are value for money and develop the market to provide flexible, cost	120	Yes	Impact is not known and is subject to outcome of service redesign

			effective short break and respite care.			
<b>Youth Employability Service</b>	841	<p>The Youth Employability Service fulfils several statutory functions for the local authority. The previous Youth Employability Service budget was significantly reduced in 2010/11 resulting in the deletion of many front-line and management posts. The budget for 2012/13 does not include the one-off amount of £200k transition funding or £93k for full-year effect funding given for 2011/12 which has allowed us to keep some Community and Voluntary Sector advisors for this year only. The one-off nature of the £200k transition funding for 2011/12, means that there will be no funding in 2012/13</p>	<p>This will require significant service redesign and may mean a significant reduction in the Youth Employability Service's ability to deliver the LA's statutory requirements in terms of NEET and LDD support, which concentrate on some of the most vulnerable young people in the city - young people who are Not in Education Employment or Training (NEET) and young people who have a statement of Special Educational Need (SEN). The Youth Employability Service is still evolving and coming to terms with the cumulative effect of major budget savings in 2009/10 and 2010/11 on work with NEET</p>	120	<p>This is uncertain. The proposal is that in 2012/13 a commissioning review takes place of the Youth Employability Service and the other employment/ apprenticeship/ economic regeneration activities within the council, with implementation in 2013/14. Synergies and cost savings will be realised alongside improving employment and apprenticeships opportunities.</p>	<p>This could mean a potential reduction in funding to the CVS in terms of whether we continue to lease space in YAC and YPC. However, this is entirely dependent on the outcome of the proposed commissioning review.</p>

		<p>for front-line workers from Sussex Central YMCA and Impact Initiatives. Further savings on the remaining 2012/13 budget of £841k cannot be achieved without cutting front-line posts. - 2 FTE level 4 advisor posts (from a total of 10 FTEs) - £68k, - 0.5 admin posts - £10k.</p>	<p>young people. The number of drop-in locations would reduce and there would be no services delivered from CVS partner premises. Advisers would continue to deliver drop-ins and other services in some of the most deprived areas of the City: Whitehawk (46.9% children and young people in poverty), Moulsecoomb (44.5%), Hollingdean (28.7%) but with a much reduced frontline team. Taken together, and without significant further service redesign, there is a risk that NEET figures may increase.</p>			
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	<p>These proposed reductions also mean there will be no funding to continue to offer drop-in and other support services from 2 voluntary sector premises - YAC (YMCA) in Blatchington Road Hove, and YPC (Impact Initiatives) in Central Brighton. This will mean that there will be no access point or drop-in in the West of the City or City Centre. - saving £26k. Savings will also be made by reducing the support budgets to front-line workers, including ICT and publications. - £16k.</p>	<p>There would be no drop-in at YPC (Central Brighton) and YAC (Hove) which would limit our coverage of the city. These are voluntary sector premises which are accessed by many of these vulnerable groups from the central and west areas of the city including Queens Park (26.2%) and North Portslade (23.7%). Reductions to electronic media and other publications would make it harder to contact and engage NEET young people and offer them appropriate support. This would have an adverse effect on government requirements for tracking NEET young people and providing management information.</p>			
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<b>Extended Schools - Start Up</b>	103	Restrict sustainability grants to the schemes supporting the most disadvantaged children.	Less affordable out of school childcare places for low income families.	10	Yes	Estimated impact of £6k
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# PLACE - Housing

# 2012/13 Savings proposals

Commissioner - Housing						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Could saving impact on funding of CVS providers (Yes/No)	If Yes, what is potential impact
Supporting People	11,213	Efficiency savings.	<p>*These have already been built into business plans with providers at minimal risk. Efficiency savings are being delivered through working effectively with providers to mitigate impacts/risk and protect preventative services for the most vulnerable. A cost-benefit analysis of housing-related support indicates that Investment in preventative services delivers savings for other budgets, such as ASC and CYPT.</p> <p>Investment in housing-related support services supports local community &amp; voluntary third sector organisations that provide specialist support services to vulnerable clients.</p>	551	Yes (but already planned)	Impact of delivering savings is being managed in close liaison with providers.

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# PLACE - Housing

# 2013/14 Savings proposals

Commissioner - Housing						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Could saving impact on funding of CVS providers (Yes/No)	If Yes, what is potential impact
Supporting People	11,213	Efficiency savings.	These have already been built into business plans with providers at minimal risk. <i>(*see above)</i>	494	Yes (but already planned)	Impact of delivering savings is being managed in close liaison with providers
		Year 4 savings from Supporting People Commissioning Plan brought forward (i.e. efficiency savings in 2014/15 to be delivered in 2013/14).	Service contracts will need to be renegotiated with providers to achieve savings. This will require a supported consolidation of local provision to enable savings to be achieved.  All providers had confirmation of 4-year allocation of funding and have developed financial and business plans on this basis. Proposal to bring forward savings from 2014/15 to 2013/14 will have a significant impact and potentially lead to service closures as providers will no longer be in a position to sustain services.	308	Yes (brings forward known savings)	Full saving will impact significantly on CVS providers and some providers may no longer be able to sustain services and this may potentially lead to service closures.

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## PLACE - City Regulation and Infrastructure 2012/13 Savings proposals

Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Could saving impact on funding of CVS providers (Yes/No)	If Yes, what is Potential Impact
<b>Delivery Unit - City Infrastructure</b>						
CityParks	5,673	Withdraw resources provided to support Brighton In Bloom	Appropriate communications with groups and advice and support where able	30.0	Yes	Potential impact on CVS Orgs

# COMMUNITIES

## 2012/13 Savings proposals

Commissioner - Sports						
Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2012/13 £'000	Could saving impact on funding of CVS providers (Yes/No)	If Yes, what is Potential Impact
Sports Development Fund	100	Reduce expenditure on sports development initiatives which assist with creating opportunities for people to participate in sport and physical activity.	A reduction in funding will mean the number and level of funding for such initiatives has been prioritised, with support continuing for such important events as the Takepart Festival of Sport. External funding will be sought to mitigate the impact but access to such funding is limited with the consequent risk it may not be achieved.	50	Yes (indirectly)	Impact is dependent on ability to find alternative external funding. Options are currently being reviewed including emerging information on Sport England's recently announced strategy.

# COMMUNITIES

# 2013/14 Savings proposals

Service (including brief description)	Total Net budget £'000	Description of saving	Service impact and risks	Savings identified 2013/14 £'000	Could saving impact on funding of CVS providers (Yes/No)	If Yes, what is Potential Impact
<b>Commissioner - Communities and Equalities</b>						
Equalities	372	Reduction to Annual Grants Budget	A reduction in small groups funded for their activities will impact on community and voluntary sector activity.	55	Yes	However, budget has been underspending while still managing to meet all eligible funding requests.
City Communities Fund	30	Cut annual budget completely; this fund was established in 11/12 to support community based activity that did not fit within the cycle of existing grant rounds, e.g. Brighton Voices in Exile supporting refugees seeking citizenship.	There will be no flexibility to support additional community activities which do not fit into the criteria of the annual grant programme. This will affect activity.	30	Yes	Budget has been substantially under-utilised despite meeting most if not all demands but may remove some flexibility.



## APPENDIX 14

### Council Carbon Budgets for 2012/13

Emission Area		2010/11 Carbon footprint (CO2 tonnes)	2010/11 Spend (net £)	2011/12 Carbon Footprint Target (CO2 tonnes)*	2012/13 Carbon budget (CO2 tonnes)**
Gas	Housing (landlord level)	3,416	591,164#	3,279	3,148
	Schools	4,504	798,223#	4,324	4,151
	Corporate	3,538	626,420#	3,396	3,261
Electricity	Housing (landlord level)	2,889	586,327	2,774	2,663
	Schools	5,329	959,141	5,116	4,911
	Corporate	8,958	1,592,341	8,600	8,256
	Street Lighting ****	5,181	745,063	4,974	4,775
Oil	Schools	1,243	259,245	1,193	1,145
	Corporate	725	151,993	696	668
Vehicle Fuel	All	2,283	923,853	2,192	2,104
Business Travel***	Adults Assessment	52	84,088	50	48
	Adults Provider	90	144,040	87	84
	Children & Families	242	429,993	232	223
	Planning & Public Protection	63	116,992	60	57
	City Services	32	60,832	31	29
	Tourism & Leisure	12	38,398	11	10
	City Infrastructure	53	84,353	51	49
	Housing & Social Inclusion	39	81,992	37	36
	<b>TOTAL</b>		<b>38,649</b>	<b>8,274,458</b>	<b>37,103</b>

\* 2011/12 actual carbon footprint will be calculated in July 2012, hence 2012/13 target based on 4% reduction of 2011/12 target.

\*\* Based on 4% reduction on 2011/12 target.

\*\*\* For 2012/13 target areas for Business Travel include Delivery Units only (excl. schools). All costs codes over £1,000 spend contribute to data.

\*\*\*\* Excludes traffic signals.

# Data contains some estimation.

#### **NOTES**

- The carbon budget for 2012/13 has been set to reflect what we can feasibly collect data for and includes 2010/11 baseline emission areas (parts of business travel only).
- Collection of emissions data is complex and while much work has been done to improve the accuracy and reliability of the council's carbon footprint there is still more to do. The data reported here is based on the best information we have available at this moment in time.
- Buildings data is based on the Carbon Reduction Commitment submission and further alterations following credits and rebilling following the end of the financial year (there have been alterations since we produced the 2010/11 annual carbon footprint due to this). Bearing this in mind there will be differences between the annual footprint produced in August 2011 and this information.
- Electricity baseline for 2010/11 also includes data for 'out of contract sites' - this information has never been collected before but is now a legal requirement under the CRC.



<b>Subject:</b>	<b>Capital Resources and Capital Investment Programme 2012/13</b>		
<b>Date of Meeting:</b>	<b>9 February 2012</b>		
<b>Report of:</b>	<b>Director of Finance &amp; Resources</b>		
<b>Contact Officer: Name:</b>	<b>Mark Ireland</b>	<b>Tel: 29-1240</b>	
	<b>James Hengeveld</b>	<b>29-1242</b>	
	<b>E-mail:</b>	<b>mark.ireland@brighton-hove.gov.uk</b>	
<b>Key Decision: Yes</b>	<b>Forward Plan No. CAB21065</b>		
<b>Wards Affected: All</b>			

## **1. SUMMARY AND POLICY CONTEXT**

- 1.1 The purpose of the report is to inform Cabinet of the level of available capital resources in 2012/13 to enable Cabinet to propose a Capital Investment Programme for 2012/13 to Budget Council. The capital programme is set in the context of the Medium Term Financial Strategy principles approved by Cabinet and Full Council alongside the Corporate Plan in October 2011 Cabinet. The proposed programme results in £96.9m investment in council services next year.
- 1.2 In December 2011, the Government confirmed the capital allocations within the Local Government Capital Finance Settlement for 2012/13 and announced some indicative allocations for the following two years to 2014/15. All future support from the Government now comes in the form of capital grants.
- 1.3 This report includes the use of revenue contributions and general reserves to support capital investment and should be read in conjunction with the General Fund Revenue Budget and Council Tax 2012/13 and the Housing Revenue Account Budget 2012/13 reports elsewhere on the agenda.

## **2. RECOMMENDATIONS:**

- 2.1 To recommend to Council the following:-
  - The Capital Investment Programme for 2012/13 in Appendix 1
  - Note the estimated capital resources in future years as detailed in Appendix 1.
  - To allocate £0.25m resources in 2012/13 for the Strategic Investment Fund for the purposes set out in paragraph 3.25.
  - To allocate £0.5m for the ICT fund.
  - To allocate £1.0m for the Asset Management Fund.
  - The proposed use of council borrowing as set out in table 5.

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

#### **Context**

- 3.1 The capital programme is funded through a combination of government grants, borrowing, capital receipts and reserves, external contributions and revenue contributions. The level of sales of council homes through 'right to buy' has been falling in recent years not helped by uncertainty in housing market, government consultation over changes to the system and a reduction in the availability of mortgages. In 2011/12 the gross receipts are estimated to be £1.1m, about the same as the previous year compared with levels of £5m to £9m per annum between 2004/05 and 2007/08. Over the last 4 years the level of other capital receipts received by the council has fallen dramatically as a result of the economic downturn and a decline in the property market. However a number of new sites have been identified and approved for disposal which will support the delivery of new investment in schemes such as the Workstyles Phase 2 project. Sites include Patcham Place, 251-253 Preston Road offices and other vacant corporate properties.
- 3.2 In the short term the council has been successful in attracting new grants and working with partners to generate other resources to enable a programme of over £96.9m to be proposed. Higher than anticipated grants for Education Basic Need of £0.4m were received for investment in new pupil places as well as additional Basic Need grant of £1.479m being received in 2011/12 for inclusion within the 2012/13 programme. In addition successful Heritage Lottery grant funding was awarded for investment in 'the Level' scheme amounting to £2.237m over the life of the project. Additional grants have been awarded from the Government in 2011/12 of £0.48m transport grant and £0.09m Disabled Facilities Grant which have been included in the 2011/12 capital programme.
- 3.3 The agreed policy of the council is to set a fully funded Capital Investment Programme for 2012/13 dependent upon the achievement of certain capital receipts. Forecast levels of capital receipts for the next few years are sufficient to cover proposed allocations in the capital strategy, however, receipts from sales such as Patcham Court Farm will need to be achieved. A priority for investment should the council be successful in achieving its planned level of receipts will be Stanmer Barn.

#### **Capital Resources**

- 3.4 A fully financed Capital Investment Programme is proposed for 2012/13 assuming that existing approved capital projects spend in-line with their budget and certain usable receipts (excluding receipts associated with Brighton & Hove Seaside Community Homes) of just under £5.0m in total are achieved next year. Table 1 below shows how the programme will be financed in 2012/13. The position for the years 2013/14 and 2014/15 is less clear until future Government allocations are confirmed, however, it is expected that capital grant funding will remain at similar levels to those announced in 2012/13. All Government support is now allocated through capital grants and all grants are unringfenced with the exception of Devolved Schools Capital Grant which must be allocated to schools and grants awarded for specific schemes such as Academy funding.



<b>TABLE 1: Capital Resources</b>	<b>2012/13 £ million</b>
Capital Grants:	
- Capital grant announcements in previous years and profiled for spend in 2012/13	17.0
- New capital grants	15.0
<b>Total Government Support</b>	<b>32.0</b>
Capital Receipts	5.6
Capital Receipts HRA	5.1
Capital Receipts - Forecast initial tranches from the housing Local Delivery Vehicle (Brighton & Hove Seaside Community Homes)	4.0
Capital Reserves	4.0
Specific Reserves	5.2
External Contributions	1.6
Direct Revenue Funding – Housing Revenue Account	17.7
Direct Revenue Funding – Service Departments	1.8
Council Borrowing	19.9
<b>Total Capital Resources</b>	<b>96.9</b>

### ***Capital Grants***

- 3.5 The Government distributes capital grants towards the financing of certain capital expenditure. In 2012/13, it is anticipated that the council will receive new capital grants of £15.0m as summarised in table 2 below, and £17.0m from grants already announced where the spending of these grants is now profiled in 2012/13.
- 3.6 It is possible that other capital grants may be received during the year and these will be reported through Targeted Budget Management (TBM) monitoring reports to Cabinet. Announcements on Disabled Facilities Grants not yet been made and the amounts shown in this report are assumed to be in line with previous years' allocations.
- 3.7 The new capital grants are in three main areas:
- Education Basic Need funding of £3.2m is included for new pupil places.
  - Education funding of £3.2m for investment in the maintenance of educational buildings and children's centres in the city.
  - Transport funding of £6.6m to include the transport related schemes and highways maintenance.

<b>TABLE 2: New Grants announced for 2012/13</b>	<b>£ million</b>
Education Basic Need	3.211
Education Capital Maintenance	3.231
Schools Devolved Capital	0.525
Transport and Maintenance (LTP)	6.576
Department of Health Grant	0.636
Disabled Facilities Grant *	0.700
Housing Energy Efficiency Grants	0.080
<b>Total</b>	<b>14.959</b>

Note: \* Estimate as announcement is still awaited

- 3.8 The grant funding is provided to the council as a “Single Capital Pot” and with the exception of Schools Devolved Capital can be reprioritised as the council sees fit. All capital grants will be allocated in full to the relevant service.
- 3.9 In years prior to 2011/12 the Local Transport Plan (LTP) had been funded through a mix of capital grant and approval to borrow. Because the council had been at the grant floor it has been unable to afford the financing costs associated with the full transport borrowing approvals resulting in a much lower LTP programme in recent years (£3.0m original budget in 2010/11 reduced further to £1.8m by the in-year grant reductions and £3.350m in 2011/12).
- 3.10 The proposed new LTP programme for 2012/13 of £6.576m represents an increase of 96% over 2011/12 which was allocated at £3.350m following the decision to topslice the grant to maintain corporate funds at planned levels. The allocation for 2012/13 will be prioritised to invest in street lighting as well as maintain roads and pavements alongside other sustainable transport initiatives.

### **Capital Receipts**

- 3.11 The funding of the 2012/13 capital programme is dependent upon the achievement of £4.972m net capital receipts during the year. This includes £1.675m of receipts associated with the disposal of surplus buildings identified under the Workstyles Phase 2 project and these receipts are earmarked for investment directly into this project and accommodation strategies. A further £2.7m of receipts are projected for 2013/14 in connection with the Workstyles Phase 2 project. Progress will be closely monitored throughout the year for all receipts and reported through the regular TBM reports. Beyond 2012/13 the generation of certain large capital receipts from Patcham Court Farm and Amex House are included in the forecasts. Failure to achieve some of these receipts will require the capital allocations for future years to be reviewed. The sale of the Council’s civic car number (CD1) plate estimated at £0.12m will provide funding for voluntary and community organisations within the city.
- 3.12 The net receipts from ‘right to buy’ sales are split between funding for corporate strategic projects delivering regeneration including affordable housing opportunities and investment directly in housing. The first £0.25m of this income is to be used to

finance support for major regeneration and housing projects through the Strategic Investment Fund (SIF) with the remainder set aside for investment in regeneration. At present 75% of the capital receipts from the sale of council homes under the Right to Buy is paid to the Government and local authorities retain the remaining 25%. However, the Government have recently announced consultation proposals ('Reinvigorating the Right to Buy and one for one replacement') to increase the level of discounts available to tenants from 1 April 2012 and therefore increase the number of sales. The proposals also intend that net capital receipts from sales (after administration costs, repayment of housing debt and currently forecast receipts for councils and central government) should be used to replace additional homes sold as a result of the higher discount levels. The outcome of the consultation will be known late February/early March.

- 3.13 The Council housing capital programme assumes a further £13.386m receipts in 2012/13 from the tranches of leasing properties to the Brighton & Hove Seaside Community Homes. This funding will be used for investment only in council owned houses within the Housing Revenue Account. It is the means by which the council is securing additional investment to bring council housing up to decent homes standard through leveraging in private finance. The level of capital receipts will be monitored throughout the year and the level of capital expenditure adjusted through the regular TBM reports as necessary to reflect the resources actually available.

#### ***Capital Reserves***

- 3.14 The council has not identified any additional capital reserves, the level of reserves relates purely to unspent resources carried forward from previous years and has already been earmarked for specific schemes. The council monitors these resources over a rolling period, by continually updating projections and comparing these against the level of commitments within the approved Capital Investment Programme.

#### ***Specific Reserves***

- 3.15 Specific reserves will be used to support schemes directly related to the purpose of the reserve or to support corporate priorities. The Access Fund and Transformation Fund will provide £1.852m to support the Workstyles Phase 2 project. A potential contribution from the Brighton Centre Reserve may be required to support any cashflow shortfall in the delivery of the corporate funds during 2012/13, however, a year end review of the capital programme reprofiles and slippage may mean that any potential temporary contribution will not be required. The reserve will be fully reimbursed in 2013/14 when projected capital receipts are realised. The estimated residual balance within the Building Schools for the Future reserve of £0.1m will also provide funding toward the corporate funds in 2012/13. Other specific reserves relate to transport, education funding and funding of the replacement cremators at Woodvale to assist with the new mercury abatement legislation.

#### ***External Contributions***

- 3.16 The council will receive new external contributions totalling £1.626m in 2012/13. A total project contribution from the Heritage Lottery Fund of £2.237m toward investment in the 'The Level' Masterplan will provide a contribution of circa £0.9m in 2012/13. Additional funding through S.106 contributions for capital investment in

parks, gardens and recreational area improvements including the proposed new skate park and investment in education are also included.

### ***Direct Revenue Funding***

- 3.17 Proposals in the budget reports elsewhere on the agenda show the council will finance capital expenditure in 2012/13 from the General Fund and Housing Revenue Account of £19.459m. A summary of the allocations by service is shown in the table below.

<b>TABLE 3: Direct Revenue Funding</b>	<b>£ million</b>
Resources – planned maintenance	0.500
Structural maintenance for schools	0.920
The Level & skate park	0.153
Car park improvements	0.250
<b>Total General Fund Services</b>	<b>1.823</b>
Housing Revenue Account	17.636
<b>Grand Total</b>	<b>19.459</b>

### ***Council Borrowing under the Prudential Code***

- 3.18 Council borrowing under the Prudential Code can be undertaken only when it can be demonstrated that it is affordable particularly where the investment leads to greater efficiency in future service provision and generates revenue savings or reductions in budgeted spend. Details of borrowing for 2012/13 are included in paragraphs 3.29 to 3.40.

### ***Capital Investment Programme***

- 3.19 A proposed Capital Investment Programme for 2012/13 together with the impact in future years, by project, is shown at appendix 1 to this report. The latest capital re-profiling arising from the 2011/12 capital programme detailed in the TBM9 report elsewhere on the agenda is incorporated into the 2012/13 programme and will be finalised when the capital accounts are closed in May 2012. The re-profiling is funded from resources carried forward from earlier years.
- 3.20 The financial implications of individual projects are included in the detailed reports that are submitted by services for each project to allow the Executive to give their full consideration to the capital and revenue costs prior to their approval. Full provision for the revenue implications arising from the proposed Capital Investment Programme has been made in the General Fund and Housing Revenue Account revenue budgets.
- 3.21 The 2012/13 capital programme includes additional investment in the following areas:-
- £8.9m will be spent on vital new investment in schools with £12.5m already reported to be invested on Portslade Community Academy.
  - £25.9m in housing stock.
  - £6.6m in new transport and street lighting related schemes.

- £10.1 to help deliver regeneration schemes including a £2.6m contribution towards a £19m new historical records centre (the Keep) in a joint scheme with East Sussex County Council and Sussex University, £5.7m investment in the Workstyles Phase Two scheme, £1.3m for the Level and skate park and £0.5m to support the Woodingdean library development.
- 3.22 The council has committed to achieve the Decent Homes Standard by the end of 2013. Works to improve homes include ensuring internal elements such as kitchens, bathrooms and rewiring, as well as external elements such as doors and windows, all meet the benchmark. Additionally, basic health and wellbeing requirements are assessed and the required safety levels met as well as a commitment to improve energy efficiency across the housing stock. Additional funding has been identified within 2012/13 to support investment in private sector renewals. Details of the investment beyond 2013/14 in items that are very important for residents' comfort and security are set out in the HRA capital programme report elsewhere on this agenda and the funding for private sector renewals is detailed in paragraph 3.31.
- 3.23 The council has also developed ways of providing major capital investment in the city by working in partnership with the private sector and public bodies (i.e. Heritage Lottery etc) whereby most of the capital investment is undertaken and accounted for by the private sector. A list of major projects is shown in appendix 2.

### **Corporate Funds**

- 3.24 Revised projections for future capital receipts should enable sufficient resources to cover allocations to corporate funds as detailed below.

<b>TABLE 4: Corporate Funds</b>	<b>2012/13 £ million</b>	<b>2013/14 £ million</b>	<b>2014/15 £ million</b>
Strategic Investment Fund (SIF)	0.250	0.250	0.250
Asset Management Fund (AMF)	1.000	1.000	1.000
ICT Fund	0.500	0.500	0.500

### ***Strategic Investment Fund***

- 3.25 It is proposed to allocate £0.250m to the Strategic Investment Fund (SIF) in 2012/13. The council has ongoing commitments to major projects that require financial support to enable their progression. The financial support takes the form of legal fees and specialist advisors for finance, design, architectural, transport, engineering and other external specialists. It is proposed that £0.250m is allocated to support major projects for 2012/13 which together with the 2011/12 carry forward funding will provide £0.859m resources to support the delivery of major projects.

### ***ICT Fund***

- 3.26 It is proposed to allocate £0.5m resources to the Information and Communication Technology (ICT) Fund to finance the cost of improvements in ICT. The allocation of the ICT fund is currently being finalised and will be subject to a further report to Cabinet.

### **Asset Management Fund**

- 3.27 It is proposed to allocate £1.0m resources per annum to the Asset Management Fund (AMF). The AMF includes expenditure on a range of properties covering, fire safety, health & safety, DDA responsibilities and general improvements. The AMF will make a contribution of £0.7m towards the Workstyles Phase 2 strategy which was detailed in a report to Cabinet on 8 December 2011. Bids to the remaining balance of the fund are currently being finalised and proposals for allocations of resources to schemes will be subject to a further report to Cabinet.

### **Council Borrowing under the Prudential Code**

- 3.28 For 2012/13 it is proposed that the council will undertake borrowing to finance capital expenditure plans as detailed below.

<b>TABLE 5: Council Borrowing in 2012/13</b>	<b>£ million</b>
Housing Revenue Account - 11/12 reprofiled schemes	7.079
Print and Sign Unit relocation	0.206
HR system replacements	0.223
Private Sector Renewal	1.500
Replacement programme vehicles & plant	2.201
Social Care buildings	0.500
Historical Records Centre – The Keep	2.550
Woodingdean Library	0.500
Solar PV Panels	0.250
Woodvale cremators	0.778
<i>Spend to save schemes:</i>	
Street Lighting	0.300
Ex leased car parks - improvements	3.703
Workstyles Phase Two	0.150
<b>Total for Capital Programme</b>	<b>19.940</b>

- 3.29 As part of the HRA business plan borrowing will be used to support the delivery of Decent Homes and funding of £5.244m was reprofiled from 2011/12 for investment in window replacement, lift refurbishment, domestic rewiring, decorations and boiler replacement at various sites. A sum of £0.135m was reprofiled in 2011/12 in connection with funding for HRA ICT. A total sum of £1.7m is also profiled for the design and build contract for Ainsworth House. The financing costs have been identified to be met from the HRA capital financing revenue budget.
- 3.30 The relocation of the Print and Sign Unit from its current location at Hollingdean Depot due to health and safety concerns and the delivery of the HR system are both reprofiled and detailed in the TBM9 report.

- 3.31 Private Sector Renewals Grants have previously been met through the Brighton & Hove and East Sussex Together (BEST) partnership with funding provided by the Regional Housing Board. This funding has now come to an end and £1.5m has been included with 2012/13 to allow investment in improving private housing quality within the city to continue. Options for future years funding are currently being considered including the potential route through the Green Deal initiative. The financing costs of borrowing have been included in the revenue budget
- 3.32 The provision of £2.2m is for replacement of vehicles during the year. This includes replacement refuse collection street cleansing vehicles for Cityclean, potential replacement of miscellaneous waste and parks vehicles during the year and parking equipment if this proves to be the most cost-effective way of procurement. These assets are currently provided through operational leases and paid for through the relevant service revenue budget.
- 3.33 As a result of condition surveys on Social Care operational buildings an annual programme of planned works has been incorporated into the capital programme to ensure the buildings meet current standards and are fit for purpose.
- 3.34 The new Historical Records Centre (the Keep) is being developed in partnership with East Sussex County Council and Sussex University and will house archival and historical public records. The city council contribution of up to £5.615m towards the development and construction costs commenced in 2011/12 with £2.55m of that planned spend in 2012/13. The financing costs of borrowing have been included in the revenue budget.
- 3.35 The development of a new library and GP surgery at Woodingdean in partnership with the Primary Care Trust requires a contribution of £0.5m from the council toward the development and fit out including supporting ICT for the new library ( as detailed to Cabinet on 10 November 2011). The financing costs associated with the contribution have been identified in the revenue budget.
- 3.36 The report to Cabinet on 19 January 2012 detailed the delay in the installation of solar PV panels for council administration buildings and school sites due largely to the Government's announcement to review feed-in-tariff income. Three large administration buildings including Hove Town Hall, Bartholomew House and the Learning Development Centre will have solar panels installed during planned programmed works. The remaining non school sites and school sites will be subject to independent reviews and business cases with PV panels being installed should the business cases prove viable. The financing costs associated with each scheme will be met from a combination of energy savings and income generation through the feed-in-tariffs scheme.
- 3.37 The purchase of new plant and equipment that addresses mercury abatement and replaces cremators is estimated to be in the region of £1.2m and will be funded from a combination of reserves and borrowing financed through an existing income levy. Further detail is included in a separate report to this Cabinet meeting.
- 3.38 Replacement of 650 street lighting lanterns and a number of full column changes across the city. The investment will provide energy saving benefits to support the financing costs.
- 3.39 The report to Cabinet on 22<sup>nd</sup> September 2011 detailed the requirement of investment in city infrastructure and the car park improvements phase 2. Borrowing of £4.0m was approved alongside £0.298m from the Invest to Save Car Park

Refurbishment reserve to support the management and improvements to car parks transferred to the council. The financing costs will be met by improved revenue streams at the car parks.

- 3.40 The Workstyles Phase Two scheme will use £0.15m borrowing underspend from the phase one accommodation strategy. This funding will reduce the risk associated with the need to dispose of assets identified within the phase two scheme. The financing costs have been funded from the savings associated with the vacation of Priory House.

#### **4. CONSULTATION**

- 4.1 The level of consultation undertaken on individual schemes will be reported to Members when the detailed report is submitted to the Executive for approval. The overall programme and appropriate levels of capital investment are subject to the same consultation processes as the revenue budget, which are described in the revenue budget report elsewhere on the agenda.

#### **5. FINANCIAL & OTHER IMPLICATIONS**

##### ***Financial Implications:***

- 5.1 The financial implications are included within the body of the report.

*Finance Officer consulted: Rob Allen*

*Date 26 January 2012*

##### ***Legal Implications:***

- 5.2 Under regulation 4(1)(b) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, formulating a plan or strategy for the control of the Council's borrowing, investments or capital expenditure is the responsibility of the Cabinet. The adoption of the plan or strategy is the responsibility of Full Council.
- 5.3 With regard to borrowing, credit arrangements, capital receipts and investment, the Council must comply with Part 1, Chapter 1 of the Local Government Act 2003 and regulations made thereunder.

*Lawyer consulted: Oliver Dixon*

*Date: 31 January 2012*

##### ***Equalities Implications:***

- 5.4 The equality implications of individual schemes included within the Capital Investment Programme are reported to Members when the detailed report is submitted to the Executive for final approval along with any appropriate Equality Impact assessments. The programme includes resources to finance adaptations to the homes of disabled people and capital projects that are designed to improve living conditions of all sections of the community, through direct investment by the council or through capital grants to the private sector. The Asset Management Fund will address access improvements to council services and buildings.

##### ***Sustainability Implications:***

- 5.5 The environmental implications of individual schemes included within the Capital Investment Programme are separately reported to Members when the detailed



report is submitted to the Executive for final approval. All projects are required to give due consideration to sustainability issues including energy conservation and the procurement of materials from managed and sustainable sources. The investment in private sector renewal, sustainable transport initiatives and in street lighting will have a positive impact on the council's one planet living programme and on carbon reduction targets for the council and city as a whole.

***Crime & Disorder Implications:***

- 5.6 The prevention of crime and disorder implications of individual schemes included within the Capital Investment Programme are reported separately to the Executive when the detailed report is submitted for approval.

***Risk & Opportunity Management Implications:***

- 5.7 The risk implications of individual schemes included within the Capital Investment Programme are reported to Members when the detailed report is submitted for approval. The Risk Matrix in appendix 7 of the Revenue Budget report elsewhere on the agenda highlights some of the general risks to the Capital Investment Programme.

***Corporate / Citywide Implications:***

- 5.8 The report is relevant to the whole City.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 The budget process allows all parties to put forward viable alternative capital investment proposals to Budget Council on 23 February 2011. Budget Council has the opportunity to debate both the proposals put forward by Cabinet at the same time as any viable alternative proposals. All budget amendments must have been "signed off" by finance officers no later than 12.00 noon on 20 February.

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The council is under a statutory duty to set its council tax and budget before 11 March each year. The recommendations to Budget Council contained within this report together with the recommendations in the revenue budget report, will enable the council to meet its statutory duty.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Capital Investment Programme 2012/13 to 2014/15
2. Other Capital Investment

### **Documents in Members' Rooms**

1. None.

### **Background Documents**

1. Notification from the Department for Education and Skills dated 13 December 2011.
2. Notification from the Department for Transport dated 13 December 2011.
3. Letter from the Department of Health relating to the Local Authority Personal Social Services Capital Grant Allocations dated 13 December 2011.
4. Reinvigorating the Right to Buy and one for one replacement issued by CLG December 2011
5. Various files held within the Strategic Finance and Integrated Financial Management & Planning units. Budget and accounting files are held within Integrated Financial Management & Planning.

## Capital Investment Programme 2012/13 to 2014/15

Capital Scheme	Spend to Mar 2011 £000	Approved Payments 2011/12 £000	Profiled Payments 2012/13 £000	Profiled Payments 2013/14 £000	Profiled Payments 2014/15 £000
<b>SUMMARY</b>					
<b>Approved Schemes</b>					
People			16,145	0	0
Place (GF)			12,084	2,090	1,880
Place (HRA)			7,079	0	0
Communities			3,284	390	190
Resources & Finance			7,064	917	33
<b>New Schemes</b>					
People			11,291	7,828	7,247
Place (GF)			10,068	8,389	8,422
Place (HRA)			25,481	28,554	19,868
Communities			120	0	0
Resources & Finance			4,250	3,050	3,750
<b>Total</b>			<b>96,866</b>	<b>51,218</b>	<b>41,390</b>
<b>Funded by:</b>					
Government Grants Single Pot			18,092	13,578	14,006
Government Grants ringfenced			13,949	2,340	1,780
Capital Receipts			5,570	1,967	1,783
Capital Receipts HRA			5,097	250	982
Capital Receipts - Brighton & Hove Seaside Community Homes			4,007	1,134	1,880
Capital Reserves			1,292	75	0
HRA Capital Reserves			2,668	2,152	0
Specific Reserves			5,166	0	243
External Contributions			1,626	1,240	0
Direct Revenue Funding			19,459	20,318	19,026
Council Borrowing			19,940	8,164	1,690
<b>Total</b>			<b>96,866</b>	<b>51,218</b>	<b>41,390</b>

Note - Only schemes that have an impact on the capital programme in 2012-13 and future years have been included within these tables

Capital Scheme	Spend to Mar 2011 £000	Approved Payments 2011/12 £000	Profiled Payments 2012/13 £000	Profiled Payments 2013/14 £000	Profiled Payments 2014/15 £000
<b><u>PEOPLE</u></b>					
<b><u>Approved Schemes</u></b>					
<u>Delivery – Adults Assessment</u>					
Adult Social Care IT Infrastructure Grant 2008-11	98	0	144		
Social Care Reform Grant 2011-12		87	34		
<u>Delivery – Adults Providers</u>					
Cromwell Road Development & Telecare			195		
<u>Delivery – Children &amp; Families</u>					
Short Breaks for Disabled Children	292	136	243		
<u>Commissioner – Schools, Skills &amp; Learning</u>					
Falmer Academy	20,127	8,258	391		
Portslade Aldridge Community Academy		250	12,514		
Primary Capital Programme	8,996	10,012	1,000		
Whitehawk Co-location	5,147	1,835	528		
Education Capital Maintenance 2011-12		2,625	950		
Carlton Hill school - playground		160	146		
<b><u>New Schemes</u></b>					
New Pupil Places			5,690	2,900	2,610
Capital Maintenance			3,231	2,908	2,617
Devolved Formula Capital			525	500	500
Structural Maintenance			920	920	920
Adult Social Care			636	600	600
Adult Social Care 11/12 grant			289		
<b>Total for Service</b>	<b>34,660</b>	<b>23,363</b>	<b>27,436</b>	<b>7,828</b>	<b>7,247</b>

Capital Scheme	Spend to Mar 2011 £000	Approved Payments 2011/12 £000	<b>Profiled Payments 2012/13 £000</b>	Profiled Payments 2013/14 £000	Profiled Payments 2014/15 £000
<b><u>PLACE (GF)</u></b>					
<b><u>Approved Schemes</u></b>					
<u>Delivery – City Infrastructure</u>					
Hollingdean Depot	335	540	<b>294</b>	75	
Downland Initiative Programme	133	80	<b>237</b>		
Parks, gardens & playgrounds S106 works			<b>340</b>		
Street lighting replacement lamps			<b>300</b>		
Ex leased car parks	1,242	80	<b>4,251</b>		
Procurement of vehicles		630	<b>1,202</b>	121	
<u>Commissioner – City Regulation &amp; Infrastructure</u>					
Local Sustainable Transport Fund		250	<b>830</b>	760	
<u>Commissioner Housing</u>					
Places for Change programme	1,155	127	<b>14</b>		
Brighton & Hove Seaside Community Homes post lease refurbishment		655	<b>3,889</b>	970	1,688
Brighton & Hove Seaside Community Homes ongoing costs to maintain properties		16	<b>118</b>	164	192
<u>Commissioner – Major Projects</u>					
Support for major projects			<b>609</b>		
<b><u>New Schemes</u></b>					
Local Transport Plan			<b>6,576</b>	6,349	7,479
Private Sector Renewals			<b>1,500</b>		
Disabled Facilities Grant			<b>700</b>	700	700
The Level – Heritage Lottery scheme			<b>1,142</b>	1,140	243
Skate Park at the Level			<b>150</b>	200	
<b>Total for Service</b>	<b>2,865</b>	<b>2,378</b>	<b>22,152</b>	<b>10,479</b>	<b>10,302</b>

Capital Scheme	Spend to Mar 2011 £000	Approved Payments 2011/12 £000	Profiled Payments 2012/13 £000	Profiled Payments 2013/14 £000	Profiled Payments 2014/15 £000
<b><u>PLACE (HRA)</u></b>					
<b><u>Approved Schemes</u></b>					
<u>Delivery – Housing Social Inclusion</u>					
Housing ICT	862	72	<b>135</b>		
Decent Homes works - windows	725	226	<b>1,636</b>		
Ainsworth House redevelopment	50	105	<b>1,700</b>		
Lift replacement	467	1,741	<b>500</b>		
Domestic boilers	2,211	468	<b>2,488</b>		
Domestic rewiring	1,275	1,100	<b>520</b>		
Citywide loft conversions & extensions programme			<b>100</b>		
<b><u>New Schemes</u></b>					
Housing Stock Programme					
Health & Safety			<b>6,302</b>	5,595	5,904
Decent Homes *			<b>16,830</b>	15,535	11,837
Discretionary Areas			<b>2,349</b>	2,109	2,127
Commissioning priorities New Build				5,315	
<b>Total for Service</b>	<b>5,590</b>	<b>3,712</b>	<b>32,560</b>	<b>28,554</b>	<b>19,868</b>

\* £0.448 of 2012/13 funding from Decent Homes has been reprofiled into 2011/12 for investment in kitchen and door installations as reported within the TBM9 report.

Capital Scheme	Spend to Mar 2011 £000	Approved Payments 2011/12 £000	<b>Profiled Payments 2012/13 £000</b>	Profiled Payments 2013/14 £000	Profiled Payments 2014/15 £000
<b><u>COMMUNITIES</u></b>					
<b><u>Approved Schemes</u></b>					
<u>Delivery – Tourism &amp; Leisure</u>					
Historical Records Centre (The Keep)	755	1,730	<b>2,550</b>	390	190
Woodingdean Library			<b>500</b>		
Royal Pavilion lighting	6	0	<b>234</b>		
<b><u>New Schemes</u></b>					
Grant for voluntary & community organisations funded from sale of civic number plate			<b>120</b>		
<b>Total for Service</b>	761	1,730	<b>3,404</b>	390	190

Capital Scheme	Spend to Mar 2011 £000	Approved Payments 2011/12 £000	<b>Profiled Payments 2012/13 £000</b>	Profiled Payments 2013/14 £000	Profiled Payments 2014/15 £000
<b><u>RESOURCES &amp; FINANCE</u></b>					
<b><u>Approved Schemes</u></b>					
<u>Resources</u>					
IT – City Planning Migration Project	95	79	<b>194</b>		
IT Communications	83	160	<b>30</b>		
Workstyles Phase Two			<b>5,754</b>	917	33
Solar panels			<b>250</b>		
Print & sign unit relocation			<b>206</b>		
Human resources system	1,085	90	<b>398</b>		
Farmland maintenance & diversification	114	178	<b>31</b>		
Planned maintenance - Health & Safety works, fire assessments & improvements			<b>201</b>		
<b><u>New Schemes</u></b>					
Strategic Investment Fund			<b>250</b>	250	250
Replacement of vehicles			<b>1,000</b>	1,000	1,000
Planned maintenance to operational buildings			<b>500</b>	500	500
Planned maintenance to social care buildings			<b>500</b>	500	500
Asset Management Fund			<b>300</b>	300	1,000
ICT Fund			<b>500</b>	500	500
Woodvale cremators for mercury abatement			<b>1,200</b>		
<b>Total for Service</b>	<b>1,377</b>	<b>507</b>	<b>11,314</b>	<b>3,967</b>	<b>3,783</b>



## Other Capital Investment

## Appendix 2

The table below identifies capital investment projects and proposed funding arrangements.

Project	Procurement Route	Investment
<u>Projects Under Construction</u>		
Edward Street / American Express	Under construction through Private Sector Partnership	To be determined
Historical Records Centre (The Keep)	Under construction through partnership with East Sussex County Council and Sussex University	Circa £19m
Open Market	Under construction through Open Market Traders Association and enabling development	Circa £15m development

<u>Projects Yet To Commence</u>		
Black Rock	Private Sector Partnership	Circa £80m total development
Brighton Station Gateway	Regeneration project with private sector partners	To be determined
Brighton Centre	In conjunction with Standard Life Investment	Additional works to improve the facade and reception areas whilst the major scheme is being developed have already been approved. £100m to £150m for centre. Total development of £350m to £450m.
Circus St Development	Joint development with the University of Brighton	Circa £100m Development
i360 Project	Private Sector Partnership	Circa £40m
Preston Barracks / University of Brighton land	Regeneration development with Brighton University & private sector partners	To be determined



<b>Subject:</b>	<b>Housing Revenue Account Budget 2012/13</b>		
<b>Date of Meeting:</b>	<b>6 February 2012</b>		
<b>Report of:</b>	<b>Strategic Director Place Director of Finance</b>		
<b>Contact Officer:</b>	<b>Name: Sue Chapman</b>	<b>Tel: 29-3105</b>	
	<b>E-mail: sue.chapman@brighton-hove.gov.uk</b>		
<b>Key Decision:</b>	<b>Yes</b>		
<b>Wards Affected:</b>	<b>All</b>		

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

- 1.1 This report presents the proposed Budget for 2012/13 as required by the Local Government and Housing Act 1989. Members are required to consider the budget proposals including changes to rents, fees and charges as well as savings and service pressures.
- 1.2 The council's Housing Revenue Account (HRA) contains the income and expenditure relating to the council's landlord duties in respect of approximately 12,250 properties and 2,250 leasehold properties. These properties are accounted for separately from the council's other services/activities which form part of the council's General Fund.

**2. RECOMMENDATIONS:**

- 2.1 That Cabinet:
- (a) Approves the budget for 2012/13 as shown in Appendix 1.
  - (b) Approves individual rent increases and decreases in line with rent restructuring principles as determined by the Government.
  - (c) Approves the changes to fees and charges as detailed in paragraph 3.18 to 3.26.
  - (d) Approves the introduction of new service charges for communal digital aerials as detailed in paragraph 3.23.
  - (e) Approves the separation of general fund and housing debt into two separate pools from 1 April 2012 in accordance with CIPFA guidance.

### 3. HRA BUDGET PROPOSALS 2012/13

#### Summary

#### Housing Commissioning priorities

- 3.1 The HRA Budget 2012/13 aims to balance the priorities of both the City Council and our residents within the context of the Corporate Plan 2011-2015, which sets out the council's strategic direction and priorities for the next four years, based around the five council priorities:
- Tackling inequality
  - Creating a more sustainable city
  - Engaging people who live and work in the city
  - A responsible and empowering employer
  - A council the city deserves
- 3.2 Our strategic housing vision supports the 'Improving Housing and Affordability' priority set out in the city's Sustainable Communities Strategy Creating the City of Opportunities and is detailed in the Housing Strategy 2009-2014: healthy homes, healthy lives, healthy city, and the City Councils priorities as set out in the Corporate Plan. To deliver our housing vision we have 3 outcomes that reflect the basic housing needs of the city:
- Strategic Outcome 1: Improving housing supply
  - Strategic Outcome 2: Improving housing quality
  - Strategic Outcome 3: Improving housing support
- 3.3 The Commissioning framework for the HRA aims to reduce management unit costs to enable re-investment in services to tackle inequality (support) and improvements to homes and neighbourhoods (investment). The HRA budget strategy reflects the priorities of tenants and leaseholders as a result of their close involvement in deciding how housing services are planned and delivered (as detailed in the Housing Management Annual Report 2010) and responds to the housing commissioning framework and corporate plan priorities by focusing upon the following keys areas:
- reducing housing management and maintenance unit costs.
  - Continuation of the council's commitment to improve the quality of existing council homes.
  - Improving engagement with council housing tenants through the introduction of Tenant Scrutiny.
  - Improving access to housing services through phase 3 the Housing Customer Access Review.
  - Improvements to the energy efficiency of the Council's housing stock through the capital programme.
  - Delivery of work, learning and apprenticeship initiatives for staff and residents through establishing a 'Learning Centre' at the Housing Centre and the Interreg IVa.
  - Taking action to promote financial inclusion, working with the Advice Partnership.
- 3.4 Therefore savings will be reinvested in areas to tackle inequality, promote financial inclusion and also to fund capital investment.

- 3.5 The HRA budget has also been developed to provide a balanced budget, taking into account the income and expenditure assumptions and the reserves position.
- 3.6 The HRA budget for 2012/13 is shown in Appendix 1 with the main budget variations detailed below in table 1. In preparing the base budget, inflation of 2% on non employee costs has been applied with no increases to pay. Savings proposals, service pressures, self financing and changes to rent and fees and charges are detailed in paragraphs 3.7 to 3.26.

<b>Table 1: Main Budget Variations</b>	<b>£'000</b>
Adjusted Base Budget 2011/12	0
<i>Increases in Resources:</i>	
Savings Proposals as detailed in paragraph 3.7	(983)
Increase in Rent for Dwellings (net of Empty Properties)	(2,489)
TV Aerials Service Charge Income	(180)
Increase in major works income from leaseholders	(459)
Reduction in Empty Property Repairs expenditure	(250)
Reduction in Subsidy Payable to the Government	(14,710)
Other minor variances	(4)
<i>Reductions in Resources:</i>	
Employees pay award and other inflation	408
Other Service Pressures as detailed in paragraph 3.9	263
Increase in Revenue Contribution to Capital Programme	14,305
Increase in Capital Financing Costs relating to the implementation of self financing as detailed in paragraph 3.13	2,800
Increase in Capital Financing costs relating to interest and repayments on unsupported borrowing.	899
Base Budget 2012/13	(400)

### **Savings & Service Pressures**

- 3.7 Housing Management has identified savings of £0.983 million (equivalent to 9.3% savings target) in the following areas:
- The introduction of Customer Access Review phase 3 will achieve savings of £0.146 million resulting in a reduction in Housing Management unit costs.
  - A reduction in office and running costs of £0.031 million due to the relocation of staff from Manor Place to the Whitehawk hub.

- A reduction in the contribution to the bad debt provision of £0.060 million due to improved collection rates of rental income.
- A saving in employee costs of £0.227 million from reduced pension liability costs associated with the transferring of staff to Mears within the Repairs, Refurbishment and Improvement Partnership.
- Reduction in the management costs of £0.050 million associated with managing temporary accommodation properties following the leasing of these properties to Brighton & Hove Seaside Community Homes.
- A net reduction in overall support services charges of £0.050 million following a review of the charges.
- A saving of £0.259 million for the Mears responsive repairs and empty property works through the phased introduction of open book accounting, including a reduction in unit costs, Mears overheads and the removal of set up costs.
- The gas servicing and maintenance contract with Mears and PH Jones has achieved efficiencies of £0.160 million.

3.8 The 2012/13 savings included in the Budget will achieve a reduction of £0.71 in housing management unit costs per dwelling per week and a reduction in housing maintenance unit costs of £0.66 per week.

3.9 Service pressures and improvements of £0.263 million are:

- Additional short term support of £0.102 million to deliver specific projects such as resident involvement in the setting up of Tenancy Management Organisations and supporting Internal Audit to identify tenancy fraud to enable the release of properties for housing need.
- Increased costs for housing property insurance estimated at £0.120 million relating to an increased number of insurance claims for damage by fire, flood etc. to council dwellings in recent years.
- A net increase of £0.041 million in energy costs for offices and communal lighting due to recent energy price increases.

### **Self Financing & Medium Term Financial Forecast**

3.10 The HRA has been part of the national housing subsidy system through which Council Housing Rents are standardised across the country. The subsidy system uses a national formula to set guideline rents for each property together with allowances for management, maintenance and capital charges based on notional costs. This system therefore determined the amounts local authorities need to spend on their council housing and whether subsidy is required to support this expenditure. 'HRA subsidy' is the sum paid by Government to make up any shortfall between HRA income and expenditure.

3.11 HRA subsidy may be a negative amount where the government determines that the local authorities have more money than they need to finance their expenditure. Local authorities therefore pay this sum across to the Government. In 2011/12 the negative subsidy payment for the HRA was £4.75 million. The subsidy system was introduced in 1990 and has been abolished by the Localism Act. It has been replaced with a new system of self financing which will come into effect from 1 April 2012. Further details of Self Financing are included in Appendix 2.

3.12 Under self financing the council will no longer be required to transfer its resources to central government, but in return will be required to take on additional housing debt called the 'self financing settlement' of £19.444 million at a level which is sustainable in the long term.

- 3.13 Therefore the implications of self financing for 2012/13 are an estimated net increase in resources of £3.900 million (which has been invested in the capital programme) resulting from the following:
- No further negative subsidy payments to the Government (2011/12 payment of £4.750 million which would have increased to approximately £6.700 m for 2012/13)
  - An increase in capital financing payments resulting from the additional settlement debt of £19.444 million of £1.300 million
  - An increase in capital financing payments due to a higher rate of interest, of £1.500 million resulting from the separating of existing housing debt into a separate pool from the general fund debt as detailed in Appendix 2 paragraphs 24 and 25.
- 3.14 Self financing will provide additional resources from the retention of all rental income and through greater control locally will enable longer term planning to improve the management and maintenance of council homes. However, although there are additional resources available in the long term, self financing includes a cap (or limit) on the amount of borrowing for capital investment by each local authority. The HRA 30 year Business Plan is currently being reviewed and updated to reflect self financing and the opportunities for additional investment and will also need consider how the housing debt is to be structured to accommodate these plans or possibilities. The current Medium Term Financial Forecasts are detailed in Appendix 3.

### **Rents 2012/13**

- 3.15 Rents will continue to be calculated in accordance with the government's rent restructuring guidelines. Target rents for each property are calculated based on the relative property values, bedroom size and local earnings. The act of moving tenants' current rents to the target rent is called rent convergence. In order to limit increases in current rents to reach target rents, the guidance specifies a maximum rent increase equivalent to inflation + ½% + £2 per week.
- 3.16 The self financing determination requires Local Authorities to use the September 2011 Retail Price Index of 5.6% plus 0.5% for setting rent inflationary increases, resulting in a net inflationary increase of 6.1%. Due to the limits mentioned in 3.15, the Government sets a "provisional" rent convergence date annually, depending on the level of inflation set for that year.
- 3.17 The self financing determination has set the rent convergence date at 2015/16 which remains the same as last year. As the majority of the rents are increasing towards target rents, this results in an average rent increase of 7.3% for Brighton & Hove. This is the equivalent to £5.17 per week, increasing the average rent to £75.93. However, in line with rent restructuring, all rents are moving towards their individual targets and some rents will be increasing by more or less than the average rent. The maximum increase will be approximately £9.57, with the lowest increase being £1.89 per week. Approximately 71% of tenants are in receipt of housing benefit.

### **Fees and Service Charges 2012/13**

The proposed changes to fees and charges for 2012/13 are as follows:

#### ***Heating***

- 3.18 The heating and hot water service charges for residents with communal gas fired boilers are proposed to increase by an average of 14.6% (£1.17 per week) from 1 April 2012, with the maximum increase of 20%. Under the current corporate gas supply contract, the unit price for gas is revised annually in October each year. From October 2011, the unit price for gas has increased by an average of 20% which is comparable with the average increases of the major suppliers of gas to the domestic market. However, the latest review of gas consumption shows a reduction from last year for some blocks, and so we have been able to limit the increase for residents in those blocks.

An analysis of the gas consumption and the costs to residents shows that the maximum heating service charge for a medium user in a 2 bedroom flat at £579 compares well to the lowest tariff for a medium user (16,000 Kwh) in the Brighton & Hove area at £742 per year (Eon 11/9/2011). The analysis also highlighted blocks which appear to have above average consumption and where energy efficiency appears to be poor. This is being addressed within the HRA capital programme 2012-15, also on this agenda. The programme includes boiler replacements or upgrades over the next 2 years at Nettleton & Dudeney, Jubilee Court, Rose Hill Court, Hazelholt, Manor Paddock and Lindfield Court, where required, which will improve energy efficiency and therefore reduce future costs.

- 3.19 The electricity contract continues at current contract prices for the financial year 2012/13, until 1<sup>st</sup> April 2013. Service charges for those with electric heating may be amended during this time to reflect the latest estimates of consumption.

#### ***Water Charges***

- 3.20 The HRA administers water charges for three sheltered blocks. These charges will be adjusted to ensure full recovery of costs including an estimated annual inflationary increase by Southern Water of 5.6%.

#### ***Grounds Maintenance***

- 3.21 The Grounds Maintenance service has been reviewed this year in partnership with residents and the findings of this review were reported to Housing Management Consultative Committee on 7 November 2011. This review has led to changes to the specification for various blocks, which has led to both increases and decreases in the service charges levied to each block. The new service charges also reflect a 2% inflation increase to the contract. The maximum increase is £0.63 per week and the maximum reduction is £1.52 per week. The average change is an increase of £0.01 per week per resident.

#### ***Communal Cleaning Services***

- 3.22 There will be no increase to the communal cleaning charges for 2012/13. Continued efficiencies in this service are anticipated to offset any inflationary increases.

#### ***Communal Digital Aerials***

- 3.23 The HRA has installed new digital TV Aerials to blocks of flats throughout the City in anticipation of the digital switchover in 2012 as reported to Housing Management Consultative Committee on 27th September 2010. This provides tenants and leaseholders in blocks of flats access to new digital aerials, without which, they would no longer be able to view TV programmes. The cost of the installation will be recovered from tenants as a service charge of £0.56 per week which is allowable for housing benefit. The service charge is higher than previously estimated because each installation has cost more due to the need for more digital capacity and remote power supply. Leaseholders will be charged for the installation as part of their major works service charge and the maintenance costs as part of their annual service charge, as specified in the terms of their lease.



### **Garages & Car Parking**

- 3.24 All garages and car parking charges will increase by 2%.

### **Supporting People**

- 3.25 Supporting people charges will remain at £12.85 per week.

### **Sheltered Services**

- 3.26 The sheltered service charge for common ways will remain at the current level of charge. The launderette service charge will remain at £1.26 per week.

## **Projected HRA Revenue Reserves**

- 3.27 The forecast outturn for 2011/12 as at month 9 is an underspend of £0.889 million providing a contribution to reserves. The main variances from the forecast outturn are detailed in the Targeted Budget Management 2011/12 Month 9 report also included on this agenda.
- 3.28 The contribution to reserves increases the projected reserves as at 31 March 2012 to £5.589 million. The 2012/13 budget has been set with a surplus of £0.400 million, but the reserves are projected to reduce to £3.719 million by 31 March 2013 after using revenue reserves to fund part of the 2012/13 Housing Capital Investment Programme.
- 3.29 The recommended working balance (minimum level of reserves) is £2.700 million. The Housing & Social Inclusion delivery unit is currently working with Commissioners and the Advice Services Partnership to develop plans to tackle financial exclusion and inequality, promoting access to services and improving support for vulnerable families and adults on low incomes. It is anticipated that up to £0.400 million may be required to support commissioning priorities and it is proposed to establish an earmarked reserve for this purpose. Once spending plans are fully developed, these will be included in the 2012/13 Targeted Budget Management Report and approval sought for the release of these funds. Therefore usable revenue reserves are projected at £0.619 million at 31 March 2013 which can be used to support one off items of expenditure in the revenue budget.

<b>Projected Unearmarked Revenue Reserves at 31 March 2013</b>	<b>£'000</b>
Reserves at 1 April 2011	4,700
Plus: Forecast contribution from 2011/12 Revenue Outturn	889
<b>Projected reserves at 31 March 2012</b>	<b>5,589</b>
Plus: Surplus from 2012/13 Revenue Budget	400
Less: Use of revenue reserves to fund the capital programme 2012/13	(2,270)
<b>Total Projected Balance at 31 March 2013:</b>	<b>3,719</b>
<b>Applied to:</b>	
Working Balance	<b>2,700</b>
Earmarked reserve- commissioning priorities	<b>400</b>
Usable revenue reserves	<b>619</b>

- 3.30 Estate Development Budget reserves, which are held separately from the HRA general reserves, are £0.146 million as at 1 April 2011. These reserves relate to committed revenue and capital expenditure for schemes agreed in previous financial years that are not yet completed. Therefore these reserves will reduce as schemes are finished.

#### **4. CONSULTATION**

- 4.1 The City Assembly in November 2011 included an agenda item on the HRA budget setting process and the introduction of self-financing. A budget workshop was also held which gave tenants and leaseholders the opportunity to discuss their views on priorities for discretionary spending in relation to the Housing Capital Investment Programme.
- 4.2 A budget round table discussion has been held with Leaders and Finance spokespeople for all political parties invested alongside representatives of the Trades Unions and Community and Voluntary Sector Forum. In addition there has been a series of separate informal consultation discussions with unions and these will continue throughout the remainder of the budget process. Formal consultation with staff, unions and service users will continue as required.
- 4.3 The review and challenge of the options as they were developed for this paper included members from all political parties (the “star chamber” process). A Scrutiny Panel considered the HRA budget strategy proposals on 06th Jan 2012.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 5.1 Financial Implications are included in the main body of the report

*Finance Officer Consulted: Sue Chapman* *Date: 05/01/12*

##### Legal Implications

- 5.2 The Council is required to keep a separate Housing Revenue Account (HRA) by virtue of the Local Government and Housing Act 1989. Preceding any financial year, the council must formulate for that year proposals relating to i) the income from rent and charges of all property within the HRA, ii) the expenditure on repair, maintenance, supervision and management of that property and iii) any other prescribed matters. In formulating the proposals, the council must use its best assumptions and estimates to secure that on their implementation the account will not show a debit balance. Within one month of formulating the proposals it must prepare and place on deposit a statement setting out the proposals and estimates. The report is compatible with the council’s statutory obligations.

*Lawyer Consulted: Liz Woodley* *Date: 5/01/12*

##### Equalities Implications:

- 5.3 The HRA budget will fund services to people with special needs due to age, vulnerability or health needs. In order to ensure that the equality impact of the budget proposals is fully considered as part of the decision making process, an Equality Impact Assessment screening document for the HRA budget proposals has been prepared and is included elsewhere on the agenda. Full equality impact assessments have been developed on specific areas where required. As part of the Council’s engagement process, a series of

meetings are being held with specific communities of interest in January to explore the issues for these groups arising from the Council's budget changes

Sustainability Implications:

- 5.4 The HRA budget will fund a range of measures that will benefit and sustain the local environment. The self financing settlement will provide a framework within which all local authorities can sustain their stock in a good condition in the future. This should enable the council to deliver a range of measures that will benefit and sustain the local environment.

Crime & Disorder Implications:

- 5.5 The Budget includes financial provision for Crime and disorder implications.

Risk & Opportunity Management Implications:

- 5.6 Financial risks have been assessed throughout the development of the council's budget. The introduction of Self Financing means that all the risks inherent in running a housing business will now transfer from the government to the local authority. The key risks which will need to be managed and developed as sensitivities and scenarios within the model may include:

- Inflationary risk that expenditure inflation is greater than income, particularly with rental increases determined by national rent policy.
- Managing interest rate fluctuations and debt portfolio
- Long term capital and maintenance responsibilities cannot be met by available resources
- Balancing regeneration and redevelopment needs with tenants priorities

- 5.7 A full risk register will therefore be developed in preparing the HRA Business Plan.

Corporate / Citywide Implications:

- 5.8 The Budget seeks to improve the quality of housing and services provided to tenants across the City.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 There are no alternative options proposed.
- 6.2 Rents have been set in accordance with the Government's rent restructuring guidance. In previous years, the Housing Subsidy Determination controlled rent setting increases by removing resources from local authorities through non compliance. Although the subsidy system is now abolished increases in rents above rent convergence will be subject the rent rebate limitation which sets a limit on how much rents can be increased. Any increases above this limit result in a loss of Housing Benefit Subsidy which is payable by the HRA.
- 6.3 The government's policy for rent restructuring is to ensure rents are fair and equitable nationally so although the authority can set rents at a lower level than rent restructuring this will bring the rents out of line nationally and provide a lower level of resources to fund repairs, maintenance and improvements works both in this years and future financial years. For example a 1% reduction in the rental increase (saving each tenant an average

of £0.71 per week in rent increase) will result in a loss of rental income of approximately £1.3 million over the next five years.

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The Local Government and Housing Act 1989 requires each Local Authority to formulate proposals relating to income from rent and charges, expenditure on repairs, maintenance, supervision and management and any other prescribed matters in respect of the HRA. In formulating these proposals using best estimates and assumptions the Authority must set a balanced account. This budget report provides a breakeven budget and recommends rent increases in line with current government guidance.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. HRA Forecast Outturn 2011/12 and Budget 2012/13
2. Summary of Self Financing
3. Medium Term Financial Forecasts

#### **Documents in Members' Rooms**

None

#### **Background Documents**

1. Reinvigorating the Right to Buy and one for one replacement issued by CLG December 2011
2. The HRA Self Financing Determinations issued by CLG November 2011
3. Council housing a real future: Prospectus, issued by CLG 25 March 2010
4. Implementing self-financing for council housing, issued by CLG February 2011
5. Self Financing: planning the transition, issued by CLG July 2011
6. The HRA and self Financing Determinations, issued by CLG July 2011
7. 2012/13 Housing Revenue Account Working Papers

## HRA Forecast Outturn 2011/12 and Budget 2012/13

	2011/12 Adjusted Budget £'000	2011/12 Forecast Outturn £'000	2012/13 Original Budget £'000
<b>EXPENDITURE</b>			
Employees	9,187	8,724	8,980
Premises - Repairs Response & Voids	7,696	7,560	7,516
Premises - Cyclical Maintenance & Servicing	3,119	2,948	3,019
Premises - Grounds Maintenance	520	520	528
Premises Other	2,766	2,810	3,032
Transport	183	183	166
Contribution to Bad Debt Provision	268	168	214
Supplies & Services	1,571	1,487	1,672
Third Party Payments – Launderette contract	54	57	55
Support Services - From Other Departments	2,210	2,201	1,963
Revenue Contributions to Capital Schemes	3,778	3,778	18,084
Capital Financing Costs	4,268	4,145	7,777
Housing Subsidy Payable	14,710	14,724	0
<b>Total Expenditure</b>	<b>50,330</b>	<b>49,305</b>	<b>53,006</b>
<b>INCOME</b>			
Rents Dwellings	(44,213)	(44,176)	(46,701)
Rents Car Parking / Garages	(785)	(750)	(800)
Commercial Rents	(455)	(455)	(446)
Service Charges	(3,354)	(3,302)	(4,617)
Other Recharges and Interest	(1,523)	(1,511)	(842)
<b>Total Income</b>	<b>(50,330)</b>	<b>(50,194)</b>	<b>(53,406)</b>
<b>DEFICIT / (SURPLUS)</b>	<b>0</b>	<b>(889)</b>	<b>(400)</b>
<b>Contribution to Earmarked Reserves</b>			<b>400</b>
<b>TOTAL DEFICIT / (SURPLUS)</b>			<b>0</b>

## Summary of Self Financing

### BACKGROUND INFORMATION

1. The current HRA subsidy system has been in operation since 1989 and serves 177 local authorities. It is subject to an annual settlement of housing subsidy where rents are effectively pooled nationally and the subsidy system subsequently reallocates these resources. Reallocation is based on a notional HRA and the repayment of historical debt. The system however has a number of flaws:
  - The notional system is complex and difficult to understand, is based on assumptions and does not really take into account local situations.
  - The annual nature of the process makes it difficult to develop a strategic approach to longer term planning.
  - The requirement for the majority of local authorities to pay a proportion of their rents known as 'negative subsidy' back into the national pot is unpopular, particularly now that the national pot creates a surplus overall.
  - For local authorities similar to Brighton & Hove where HRA subsidy debt is greater than HRA debt the system does not promote efficient treasury management. For example action to reduce the average cost of the council's debt portfolio results in a decrease in General Fund expenditure but an increase in HRA expenditure.
2. The review of the Council Housing Finance system was initially launched by Ministers in March 2008. These reforms have been developed in partnership with stock-owning local authorities and have been the subject of two public consultations. Responses to the second consultation in March 2010 showed strong support for implementing the principles of self-financing and the broad methodology proposed. The Government has introduced legislation in the Localism Act now before Parliament which would commence self-financing and abolish the Housing Revenue Account subsidy system from 1 April 2012.
3. The objectives of these reforms are:
  - To give local authorities the resources, incentives and flexibility they need to manage their own housing stock for the long-term and to drive up quality and efficiency.
  - To give tenants the information they need to hold their landlord to account, by replacing the current opaque system with one which has a clear relationship between the rent a landlord collects and the services they provide.
4. Self Financing reforms are based on a calculation of the individual value of each local authority's housing business. This is compared to their existing housing debt in order to give each a sustainable self-financing settlement. The reforms do not redistribute a fixed amount of debt between local authorities.

## SELF FINANCING VALUATION MODEL

5. Self-financing will put all local authority landlords in the position where they can support their own stock from their own income. In order to bring about this change, there will be a readjustment of each local authority's housing debt. This will give each local authority a level of debt it can support, based on a valuation of its council housing stock. If this valuation is lower than the amount of housing debt which is currently supported through the Housing Revenue Account subsidy system, Government will pay off the difference. If the valuation is higher than the debt supported by Housing Revenue Account subsidy, the local authority will be required to pay Government the difference.
6. Valuations will be based on assumptions about each local authority's income and need to spend over 30 years. This 30-year cash flow of income and expenditure will then be converted into a capital sum using standard discounted cash flow techniques.
7. The following assumptions are used in the valuation model:

### Income

8. The only income included in the valuation is rental income using assumptions following from the Government's social rent policy which assumes that guideline and formula (target) rents will converge by 2015/16, followed by rent increases set at the Retail Price Index plus 0.5% per annum. The valuation also assumes that the current mechanism for protecting public expenditure and rent increases by providing a cap on the level of Housing Benefit an authority will receive for its tenants will continue.

### Expenditure

9. The spending needs built into the valuation are based on independent research about the costs of managing, maintaining and repairing the stock and are significantly higher than those in the current subsidy system. This has resulted in an increase of 14.8% for Brighton & Hove compared to the national average increase of 14.5%
10. In addition, the new system will now provide funding for disabled adaptations to council housing stock as the needs of tenants change in future. Expert consultants estimated the cost of meeting newly arising need at £60 per dwelling per year across the country providing funding of £116 million nationally per annum. This has resulted in funding of £0.858 million per annum for Brighton & Hove which is reflected in the HRA Capital Programme.
11. The valuation will exclude any assumed income or costs from homes that will be demolished within the next few years as part of regeneration schemes which are at an advanced stage. This is to ensure that the reform does not adversely affect the completion of current regeneration schemes. The homes on the Ainsworth Site redevelopment scheme have been excluded from the Brighton and Hove Valuation.

12. The valuation includes a forecast for losses of income and costs when properties are sold under the Right-to-Buy scheme. This forecast is based on national forecasts for house sales issued by the Office for Budget Responsibility. These have been disaggregated to local authority level using recent historical data about regional levels of Right-to-Buy sales

#### Discount rate

13. The assumed rents and costs will be used to produce a notional 30 year business plan of income and expenditure for each local authority landlord's business. This will be converted into a stock valuation using standard discounted cash flow principles, using a 6.5 per cent discount rate which is consistent with rates used in valuing stock in housing transfers.

#### Settlement payment

14. In order to calculate the payment to or from Government, the valuation will be compared with the notional amount of housing debt supported by HRA subsidy (the Subsidy Capital Financing Requirement). If the valuation is higher than the subsidy debt figure, the local authority will be required to pay Government the difference. If the valuation is lower, the Government will pay the difference to the local authority.
15. In most local authorities, the notional debt figure supported by subsidy is higher than the actual amount of debt. By using the subsidy debt figure, most local authorities will make a smaller payment to Government or receive a larger payment from Government than they would have done if the payment was based on the actual debt figure. This will benefit local authorities who have found ways to reduce their borrowing by, for example, electing to use capital receipts to pay down debt or fund investment
16. The one off settlement payment for Brighton & Hove is £19.444 million, calculated as shown in the table below:

	<b>£'000</b>
<b>NPV of 30 year cashflows:</b>	
Rental income	705,122
Management & Maintenance expenditure	(365,115)
Major Repairs Allowance expenditure	(181,632)
Debt Management costs	(1,875)
<b>Total Valuation of Business</b>	<b>156,500</b>
<b>Total Notional Amount of Debt (Subsidy Capital Financing Requirement)</b>	<b>(137,056)</b>
<b>Settlement Payment (Debt taken on 1 April 2012)</b>	<b>19,444</b>

#### Borrowing limit

17. The Prudential Code for Capital Finance (developed by the Chartered Institute of Public Finance & Accountancy) prescribes the methodology to determine the levels of borrowing affordable for local authorities. However, as the Government's first



priority is to reduce the national deficit, (and borrowing for housing purposes is included as part of the Public Sector Borrowing Requirement), housing borrowing must be affordable nationally as well as locally and therefore there will be a limit (or cap) placed at the self financing debt settlement level calculated for each authority.

18. In order to retain some flexibility over the borrowing limit to respond to big external changes which affect council housing the Localism Act includes powers to vary the definition or calculation of the Council Housing Borrowing Requirement and the Council Housing Borrowing Limit for one, some or all local authorities in the future.

19. Brighton & Hove's forecast actual housing debt at March 2012 is £127.6 million, including the settlement figure of £19.444 million, which is lower than the self financing indicative debt cap level of £158.2 million thereby providing capacity to borrow a further c£29 million subject to affordability.

### Reopening the settlement

20. The introduction of Self Financing means that all the risks inherent in running a housing business will now transfer from the government to the local authority and a full risk register is being developed in preparing the HRA Business Plan. The key risks which will need to be managed and developed as sensitivities and scenarios within the model may include:

- Inflationary risk that expenditure inflation is greater than income, particularly with rental increases determined by national rent policy.
- Managing interest rate fluctuations and debt portfolio
- Long term capital and maintenance responsibilities cannot be met by available resources
- Balancing regeneration and redevelopment needs with tenants priorities

21. The Localism Bill allows the government to re open the settlements in the future where there has been a change in one of the factors taken into account in calculating the current payment (i.e. expenditure, income and debt). This would only occur if a change is made that would have a substantial material impact on the valuation and in these exceptional cases, the Government would have to issue a further determination and consult on it. For example, this could be a major change in national rental policy or a significant increase in the environmental standards expected of council housing.

## **THE SURROUNDING POLICY FRAMEWORK**

### The Housing Revenue Account ring-fence

22. The HRA operates as a separate ring fenced account and is a record of revenue income and expenditure relating to local authority's own housing stock. Items that must be accounted for within the ring fence are defined by Schedule 4 of the Local Government and Housing Act 1989 and also a DoE Circular 8/95 published in 1995. The self financing regime does not end the requirement to maintain a statutory, ring-fenced Housing Revenue Account and there is no new guidance. The Government has stated that they expect local authorities to take their own decisions, rooted in the principle that 'who benefits pays'.

## Accounting and regulatory framework

### Accounting Arrangements

23. The abolition of the housing subsidy system requires changes to the capital financing arrangements for housing in Treasury Management and Accounting issues such as accounting for depreciation. The self financing guidance proposes a change to the method for charging depreciation to the housing revenue account and the separation (unpooling) of housing debt from other local authority borrowing. The accounting arrangements for depreciation are being reviewed by CIPFA and guidance will be issued to local authorities with an anticipated 5 year transitional period to implement the required accounting changes.

### Unpooling of Debt

24. At present, local authorities hold all their debt in one single 'pool' across all services so the debt attributable to housing is part of each local authority's overall debt portfolio. Interest on the HRA debt is charged at the consolidated rate of interest (The calculation of the CRI is based on the council's overall debt portfolio and therefore changes in the level of debt, either GF or HRA, can impact on the rate and hence the interest charged to the HRA). The current system of pooling debt allows for more efficient treasury management but leaves the HRA exposed to interest rate changes from treasury management decisions taken by the GF and vice versa.

25. Self financing requires all local authorities to separate (unpool) their housing and general fund debt into two pools. This means that the HRA will now pay interest based on its actual debt rather than a notional calculation.

### Regulation

26. Regulation of council housing under the regulatory framework for social housing will continue to focus on consumer protection. In line with the recommendations of the Government's 2010 review of social housing regulation, as reflected in the Localism Act and proposed revised regulatory framework to take effect on 1 April 2012, the Regulator's consumer protection role will be refocused on setting clear service standards for social landlords and intervening only to address breaches of those standards which entail a risk of serious detriment to tenants. Tenants will have access to stronger tools to hold landlords to account on service delivery, with the Regulator acting as a backstop where problems cannot be resolved locally, or where a pattern of problems gives rise to broader concerns.

### Disposals

27. The Government propose to reform the current statutory framework under which local authorities must first seek the consent of the Secretary of State before disposing of council housing assets and the requirement to seek the specific consent of the Secretary of State to a disposal at market value except where a local authority proposes to dispose of a dwelling occupied by a secure or introductory tenant or disposal is to a subsidiary of the local authority. The Government is reviewing responses to their consultation paper 'Streamlining council housing asset management: Disposal and the use of receipts'. It is anticipated that changes to this framework will also come into effect from 1 April 2012.

28. In addition the Government will update the regulations governing the pooling of receipts to ensure that proposed greater freedom to dispose does not inadvertently

disadvantage any authority. Receipts from sales of vacant land or empty homes will be retained by local authorities provided they are spent on affordable housing, for regeneration.

### Right to Buy

29. At present 75% of the capital receipt from the sale of council homes under the Right to Buy is paid across to the Government and local authorities retain the remaining 25%. However, the Government have published consultation proposals ('Reinvigorating the Right to Buy and one for one replacement') to increase the cap on discounts available to tenants from 1 April 2012 with the aim of increasing the number of sales above the level included in the self financing valuation assumptions. The proposals also intend that net capital receipts from sales (after administration costs, repayment of housing debt and currently forecast receipts for councils and central government) should be used to replace additional homes sold as a result of the higher discount levels. The consultation includes various replacement delivery models and outcome of the consultation will be known late February/early March.

### Retention of National Rent Policy

30. Local authorities will still be required to follow national rent policy and rent convergence. The current rent restructuring formula provides a mechanism for protecting public expenditure and rent increases by providing a cap on the level of Housing Benefit an authority will receive for its tenants.

## Medium Term Financial Forecasts

<b>Revenue Budget</b>	<b>2012/13 £'000</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>
<b>Expenditure</b>			
Employees	8968	9,017	9,048
Premises -Repairs	10,535	10,625	10,469
Other expenditure	7,642	7,498	7,446
Capital Financing	7,777	9,144	10,083
<b>Total Expenditure</b>	<b>34,922</b>	<b>36,284</b>	<b>37,046</b>
<b>Income</b>			
Rental Income	(46,701)	(48,694)	(48,967)
Other Income	(6,705)	(6,388)	(6,353)
<b>Total Income</b>	<b>(53,406)</b>	<b>(55,082)</b>	<b>(55,320)</b>
<b>NET SURPLUS</b>	<b>18,484</b>	<b>18,798</b>	<b>18,274</b>
<b>Allocated to :</b>			
<b>Revenue Contribution to Capital schemes</b>	18,084	18,798	17,606
<b>Usable Revenue Reserves</b>	400		668

**Assumptions**

1. Inflation is included at 2% per annum with pay increases at 1% for 2012/13 and 2% per annum thereafter to cover pay award and pay related matters.
2. Efficiency savings are assumed at £1.100 million over 2013/14 and 2014/15.
3. Capital financing costs are projected to increase reflecting the full repayment of unsupported borrowing included in the 2009 -2012 capital programmes.
4. Rents are assumed to increase by 3.5% for 2013/14 and 3% for 2014/15. An additional weeks rents fall due in 2013/14 at an estimated rental income of £0.900 million.
5. Other income is projected to increase by 1%. However, income from major works to leasehold properties is projected to reduce by £0.380 million from 2013/14 and reduce by a further £0.100 million in 2014/15.

Revenue surpluses will be used to fund the HRA Capital Programme 2012 - 2015, also included on this agenda. Any surpluses not required for the capital programme will be held in usable revenue reserves.





<b>Subject:</b>	<b>Housing Revenue Account Capital Programme 2012-2015</b>		
<b>Date of Meeting:</b>	6 February 2012 - HMCC <b>9 February 2012</b>		
<b>Report of:</b>	<b>Strategic Director of Place</b> <b>Director of Finance</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Nick Hibberd</b>	<b>Tel:</b> 29-3020
	<b>E-mail:</b>	<b>nick.hibberd@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes</b>		
<b>Wards Affected:</b>	<b>All</b>		

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

- 1.1 This report seeks approval for the 2012/13 capital programme and provides a provisional capital programme for the following two years, 2013/14 & 2014/15, for the Housing Revenue Account (HRA). The report takes into consideration the latest resources available and commissioning investment priorities.
- 1.2 The council's Housing Revenue Account (HRA) relates to the council's landlord duties in respect of approximately 12,250 properties and 2,250 leasehold properties.

**2. RECOMMENDATIONS:**

- 2.1 That the Housing Management Consultative Committee note the recommendation that Cabinet approves the capital programme budget of £27.229 million and financing for 2012/13 as set out in paragraph 4.1 and comments upon the proposals.
- 2.2 That Cabinet approves the capital programme budget of £27.229 million and financing for 2012/13 as set out in paragraph 4.1.

**3. STRATEGIC CONTEXT**

- 3.1 The 2012 - 2015 provisional HRA Capital Programme aims to balance the priorities of both the City Council and our residents to achieve a good quality, sustainable, and fit for purpose housing stock which delivers against emerging housing commissioning investment priorities as identified in the housing commissioning framework. The Capital Programme is developed within the context of the Corporate Plan 2011-2015, which sets out the council's strategic direction and priorities for the next four years, based around the five council priorities:
  - Tackling inequality

- Creating a more sustainable city
- Engaging people who live and work in the city
- A responsible and empowering employer
- A council the city deserves

- 3.2 This report outlines the strategic commissioning approach to the 3-year HRA capital programme giving details of proposed funding for:
- Non-discretionary spend – such as meeting health & safety legislative requirements and meeting the decent homes standard
  - Discretionary spend on projects to reflect tenant priority (such as Estates Development Budget)
  - Housing Commissioning Investment Priorities in accordance with the Housing Strategy and emerging housing commissioning framework

### **Housing Commissioning Investment Priorities**

- 3.3 Our strategic housing vision supports the 'Improving Housing and Affordability' priority set out in the city's Sustainable Communities Strategy *Creating the City of Opportunities* and is detailed in the *Housing Strategy 2009-2014: healthy homes, healthy lives, healthy city*, and the City Councils priorities as set out in the Corporate Plan. To deliver our housing vision we have 3 outcomes that reflect the basic housing needs of the city:
- Strategic Outcome 1: Improving housing supply
  - Strategic Outcome 2: Improving housing quality
  - Strategic Outcome 3: Improving housing support

- 3.4 In supporting these priorities the capital programme will focus on:

**1) Improving Housing Quality.** This includes non-discretionary expenditure on:

- Commitment to improve the quality of existing council homes through achieving the Brighton & Hove Standard (Decent Homes Standard plus) across the housing stock by the end of 2013.
- Lift replacement and modernisation programme.
- Investment in health and safety measures (asbestos, water management, fire safety).
- External repair and decoration programme.

**2) Improving Housing Supply.** This includes discretionary investment on:

- Increasing the supply of ready to develop housing sites and help address the city's affordable housing shortage through the Estates Master Plan.
- Bringing long term empty properties back into use.

**2) Tackling Inequality.** This includes the following discretionary investment:

- Increased investment in adaptations to make existing housing stock more accessible to residents with disabilities.
- Action to tackle over-crowding (through provision of loft conversion / extension programme).
- Tackling health inequalities through a strategic programme to tackle damp and condensation.



- Continuation of the tenant-led participatory budgeting approach to estate improvements through the Estate Development Budget.
- Investment in additional estate improvements which improve well-being (such as cycle parking and play facilities on estates).

**3) Creating a more sustainable city.** This includes expenditure on:

- Installing solar photovoltaic panels to help cut Carbon Dioxide emissions and reduce residents fuel bills
- Continuation of the programme to install modern, high efficiency Domestic Heating & Hot Water systems.
- Replacement of communal heating and hot water systems (using renewable energy where practicable).
- Insulation improvements (cavity wall and loft insulation top ups).
- Over-cladding projects to improve structure and thermal insulation.
- Continuation of upgrades and efficiency improvements to communal lighting.

#### 4. FUNDING 2012/13 CAPITAL PROGRAMME

- 4.1 The programme is funded from a variety of sources including revenue surpluses, general reserves, borrowing, capital receipts from leasing properties to Seaside Community Homes and Right to Buy sales and grants. The proposed programme for 2012/13 and the funding arrangements are outlined below. This programme does not include any reprofiling identified from the 2011/12 targeted budget monitoring.

	<b>2012/13 Budget £'000</b>
<b>EXPENDITURE</b>	
Non Discretionary Spend:	
Health & Safety	6,602
Decent Homes Work	17,278
Discretionary Spend	2,349
Commissioning Priorities	1,000
<b>Total Programme</b>	<b>27,229</b>
<b>FUNDING</b>	
Revenue Contribution to Capital	18,084
Capital Receipts	5,097
Other Grants - CESP	80
Reserves	3,968
<b>Total Funding</b>	<b>27,229</b>
<b>Projected Capital Reserves at 31 March 2012</b>	<b>1,254</b>

- 4.2 The 2012/13 budget assumes that there will be a slight increase in capital receipts from 'right to buy' (RTB) sales to £0.100 million, reflecting Ministers proposals to raise the cap on right to buy discounts to make them more attractive to tenants.
- 4.3 The level of capital receipts available during 2012/13 from the leasing of properties to Brighton & Hove Seaside Community Homes are projected at £4.997 million which have been applied to the capital programme to fund

Decent Homes work.

- 4.4 Grant income includes assumed funding from the national scheme, run by utility companies, called Community Energy Saving Programme (CESP). The funding is generated from works that bring about carbon use reductions in the housing stock.
- 4.5 Capital reserves at 31 March 2012 are projected at £1.254 million which are available to fund any unforeseen works, future housing commissioning framework investment priorities or the 2013/14 capital programme.

## **5. CAPITAL PROGRAMME 2012-2015**

- 5.1 The investment programme for 2012/13 is £27.229 million and is detailed in Appendix 1, along with the provisional programme for the following two years.
- 5.2 The 3 year Capital Investment Plans provide the council with long-term works information which will enable the council to build, achieve and sustain consistently high levels of customer service, to both general housing and sheltered homes across the city. This plan will help to build on the progress already made ensuring proactive, efficient and effective pre-planning, as well as continuously improving resident liaison and overall engagement. The plan effectively supports the council's commitment to communicate plans and intentions, and further develops one of the key objectives of transparency.
- 5.3 This 3 year plan takes its lead largely from that consulted on and agreed last year, giving a consistent strategic approach, and assisting with achieving programme delivery. Outline plans are currently being developed into meaningful geographical areas of work programmes with indicative timelines to foster improved resident communication, and understanding, of our major works plans across the city. Once these plans are finalised over the coming weeks, further details will be reported to Area Panels and individual associates as appropriate, to discuss the capital investment programme further. Details will also be published on the council's website, as usual, as soon as possible, to ensure full access to information. A high level of resident liaison and involvement in the earliest phases, and throughout refurbishment programmes is supported through the agreed processes now in place with Mears.

### **Proposed non discretionary spend**

#### **1) Health & Safety compliance**

- 5.4 Health & safety works remain the key basic requirement for ensuring the wellbeing of all residents, visitors and those working on housing assets. This area of works includes door entry systems, lifts, ventilation shafts, dry risers, fire alarms, lighting, structural works and damp works
- 5.5 The 3 year programme includes substantial investment in lift replacements, and this budget has been increased to reflect tenants support for completing the lift replacement programme as soon as is practical. The increased funding reflected in this programme will enable the programme to be completed within 7 years rather than the original plan of 10 years. Over the next year, replacement and upgrading will focus mainly on the replacement of the lifts in the Albion Hill high-rise flats and beginning upgrades in the Bristol Estate.

- 5.6 Fire Safety and Asbestos management budgets throughout the period reflect the need to support good levels of risk management in these key areas. In many cases, such as the door replacement programme, highly secure and fire compliant doors are being fitted, which also reduce drafts and improve energy efficiency for residents.
- 5.7 The Minor Capital works budget includes minor capital works, a provision for programmed works identified by residents requesting repairs and a sum for surveys and preparatory works.
- 5.8 The budget now includes a separate programme for tackling condensation and mould growth. This is a potential health hazard, and works in these areas will be combined alongside the cyclical area-based investment programmes. Fire Safety and Asbestos management budgets throughout the 3-year period reflect the need to support good levels of risk reduction in these key areas. Other budgets for ensuring water safety and the security of residents, for example through modern, well maintained door entry systems, make up the key ongoing budgets in this area.

## **2) Decent Homes and beyond decent homes**

- 5.9 The capital programme reflects the need to meet the Decent Homes target by December 2013. Works to improve homes include ensuring that internal elements such as kitchens, bathrooms and rewiring, as well as external elements such as doors and windows, all meet the benchmark standard. Additionally, basic health and wellbeing requirements are assessed, and the required safety levels met. By 2013/14, with decency achieved, the capital budgets reduce to a level that provides funding for those properties falling out of decency and for further investment in areas that provide comfort and security and improve energy efficiency. For example upgrading and improving main entrance door sets in blocks of flats and installing high efficiency boilers.
- 5.10 The capital programme reflects a commitment to improving the energy efficiency of the housing stock across. The budget reflects an increase of funding to bring forward communal boiler replacements (where practical and deliverable) that were planned in the next few years in order to improve energy efficiency and thereby reduce residents communal heating costs. Over the next 2 years this includes boiler replacements or upgrades at Nettleton & Dudeney, Jubilee Court, Rose Hill Court, Hazelholt, Manor Paddock and Lingfield Court, where required. In addition, projects will look to integrate renewable energy improvements, such as solar thermal hot water, where practicable, as part of these projects.
- 5.11 Other energy efficiency improvements include:
- survey and installation of cavity wall insulation and loft insulation top ups to 270mm, where construction types and location allow it
  - Over cladding to provide the benefits of improved insulation to residents, such as, potentially, Hereford Court and the Bristol Estate during the 3-year programme, subject to detailed surveys, and the need to integrate these types of work with other required major works, to help ensure value for money.
  - a large scale wiring programme to upgrade and improve communal lighting and controls, is underway. The 5 Clarendon Road high-rise blocks, and most of the Bates Estate are examples of areas already benefiting from this programme.

## Proposed Discretionary Spend

The capital programme has been proposed with the inclusion of the following discretionary items of spend:

### Estate Development Budget (EDB)

- 5.12 The Estate Development Budget is included at £0.540 million per annum. Working collectively with our residents and Mears, officers wish to explore ways of returning even greater value for money and levels of customer satisfaction. EDB bids will be integrated into larger planned programmes of works, where it makes sense to do so, in order to achieve greater economies of scale and therefore get more for EDB money.

### Improving adaptability and accessibility

- 5.13 The disabled aids and adaptations budget has been increased by £0.100 million per annum to £0.850 million to reflect the growing need for adaptations to help residents to live comfortably in their home as circumstances change.

### Conversion and Extension of Existing Dwellings

- 5.14 The 3 year capital programme includes a programme of loft conversion and extensions to help alleviate overcrowding in some homes. This budget will provide up to 10 conversion or extensions per annum.

### Fencing

- 5.15 This budget provides for a strategic approach to improving fencing across the city. Fencing has been identified by residents as an area where greater resources should be allocated based on safety and security needs and a policy will be developed to reflect this.

### Cycling Facilities

- 5.16 This proposed budget supports sustainable lifestyles by allowing communities to identify and install improved cycling infrastructure, such as secure, dry storage facilities and lighting.

### Estate Services Vehicles

- 5.17 The 2012/13 budget includes the purchase of 14 vans and 2 bulk trucks for the Estates Service. The current fleet of vehicles are in excess of 5 years old and need to be replaced to ensure the Estate teams can meet their service pledges to the council tenants. An options appraisal has identified that the purchase of replacement vehicles provides is the most cost effective option, with the purchase of the vehicles through the council's corporate vehicle procurement route with the aim to reduce our CO2 emissions, fuel costs and environmental obligations by taking the option of diesel driven engines.

### ICT

- 5.18 Investment in ICT continues to be key to improving the council's online offer to residents by expanding the range of fully web-enabled transactions and support residents to self-serve and access services more locally. The budget has been reduced compared to previous years but provides for upgrade and improvements to the current Housing Management and Customer Online system and additional modules required for the Asset Management system.

## Housing Commissioning Framework Investment Priorities

- 5.19 The Localism Act will introduce a new system of self financing for the HRA from April 2012 which is explained in detail in the Housing Revenue Account Budget 2012/13 report (Appendix 2) also on this Agenda. Self financing will provide additional resources from the retention of all rental income and through greater control locally will enable longer term planning to improve the management and maintenance of council homes.

### Solar PV

- 5.20 As part of self financing – and in order to limit national borrowing in the current economic climate - the government has introduced a cap on the amount of borrowing for each local authority. For Brighton & Hove, subject to affordability, there is the opportunity to borrow up to a further c£29 million for investment priorities. Within this figure, up to £15 million of borrowing was agreed by Cabinet on 22 September 2011 for the installation of Solar Photovoltaic Panels on council housing stock. Cabinet received an update on the plans to implement Photovoltaic Solar Panels (PVs) for non-housing properties on 19th January 2012 which provided an update on the government's consultation on proposed changes to the Feed in Tariff (FIT) regime. This also has a significant impact on the plans for housing properties. The original FIT rates provided a positive Net Present Value (NPV) return of £9 million over 25 years and surpluses from year 1 which included paying the borrowing costs and it was this information that supported the recommendations in the September Cabinet report. Various scenarios have been modelled based on the original installation costs and lower cost assumptions with the reduced tariffs of 21p and 16.8p and in all scenarios the NPV returns have now turned to a deficit, ranging from £2 million to £8 million over 25 years. Further to this, the reduced tariffs now mean that surpluses are not generated until year 17, that is when the borrowing costs have been repaid. Therefore on these assumptions, there is an annual deficit which would need to be funded from the revenue budget over 16 years which ranges from £0.300 million to £0.600 million per annum.
- 5.21 At this stage therefore, the £15 million borrowing has not been included in the capital programme as it would result in significant cost to the Housing Revenue Account rather than the originally assumed benefit. However should circumstances change and positive revisions be made to the FIT tariffs or a very substantial reduction in the installation costs emerge this will be revisited. As has been agreed for the Council's non-housing properties, installations will still be considered on a case by case basis providing the detailed business case does not result in a net cost to the HRA. This expenditure would be added to the council's capital programme as needed through the quarterly TBM monitoring reports.

### Building new council housing

- 5.22 The estates masterplan includes proposals to demolish some vacant garage sites and build 35 new housing units. The 2011/12 capital programme includes funding for initial feasibility, design, planning and demolition costs of £0.675 million to develop these schemes. The 2012/13 budget also includes £1.000 million for building costs with an additional £4.315 million in the provisional 2013/14 programme. Once full schemes are developed, a report will be presented to Cabinet for scheme approval.

### Bringing long term empty properties back into use

- 5.23 The capital investment programme includes plans to bring forward long term empty HRA homes not yet batched to go to Seaside Homes for refurbishment

and occupancy on a temporary basis to mitigate revenue & community pressures around these homes remaining empty for long periods of time & for these homes to be brought into use more quickly to meet housing needs in the City.

- 5.24 Following the introduction of Self Financing the HRA Business Plan is being reviewed which may identify new housing commissioning investment priorities not currently included in the capital programme. Any other new projects identified within 2012/13 will be reported to Cabinet and may be funded from capital reserves or additional borrowing, subject to affordability and the borrowing limit.

## **6. CONSULTATION**

- 6.1 Both the asset management panel (AMP) and Repairs and Maintenance Monitoring Group (RMMG) have successfully and effectively worked with BHCC staff and Mears to ensure that there is a thorough and transparent management of the programmes, and improvements to them. Both RMMG and AMP are represented on the Core Group, and are also to have representatives on the Partnership (operational) group and technical forum groups. All these groups will continue to work closely with BHCC and Mears as a partnership to ensure that contract expectations and requirements are met, and exceeded where possible.
- 6.2 The City Assembly included a budget workshop which gave residents the opportunity to discuss their views on discretionary spending. In small groups, residents were provided with a sum of £2.500 million and asked to consider levels of spending for various categories. All groups agreed that the level of spending on lift replacements should be increased to bring forward planned lift replacements and this has now been reflected in the 3 year capital programme.
- 6.3 The information on the strategy and commitments of the 3-year capital programme for the period 2011-2014 was presented to all Area Panels and HMCC in early 2011, and details circulated widely, including being available on our website. The 2012-2015 3-year plan seeks to build on these solid foundations and deliver the long-term commitments, that were made in these programmes, in a transparent manner whilst reflecting any new priorities that have emerged in consultation with residents, such as additional lift replacement funding. As more details of plans are put together, further details will be reported to HMCC, Area Panels and other appropriate representative groups, to discuss the investment programme further.
- 6.4 All leaseholders have been, or will be, consulted about individual contracts carried out as part of the programme in full compliance with the Common hold and Leasehold Reform Act 2002.
- 6.5 It is important to note that every project cannot be foreseen within our planning strategy and where ad-hoc projects are needed to be carried out this will be done through existing and new processes and procedures that incorporate effective communication and engagement with all residents in the properties concerned, regardless of their individual tenure. All appropriate resident groups are to be fully included in this consultation.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 Financial Implications are included in the main body of the report

*Finance Officer Consulted: Sue Chapman* *Date: 05/01/12*

### Legal Implications

- 7.2 Amongst the Housing Management Consultative Committee's terms of reference is the power to consider reports and advise the Cabinet on the exercise of the Councils' functions in relation to the management of the Housing Revenue Account. Recommendation 2.1 is therefore clearly within the Committee's powers. In its role as landlord, the Council has statutory and contractual obligations to maintain the structure of and installations in its housing stock. The maintenance and works proposals contained within this report will assist the Council in fulfilling those obligations. The Council must take the Human Rights Act into account when making decisions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in the report.

*Lawyer Consulted: Liz Woodley* *Date: 11/01/12*

### Equalities Implications:

- 7.3 All projects carried out include full consideration of various equality issues and specifically the implications of the Equality Act.

### Sustainability Implications:

- 7.4 This programme supports the target to reducing the annual Carbon Emissions associated with energy use in dwellings by an estimated 4,000 tonnes between April 2011 and March 2016. (Baseline emissions figure for April 2011 is 45,000 tonnes, analysed using government approved SAP accredited software)

Project briefs are issued on all projects and require due consideration of sustainability issues, including energy conservation and procurement of materials from managed and sustainable sources.

### Crime & Disorder Implications:

- 7.5 All contracts are entered into with a requirement for site security. Specific projects, directly address security and prevention of crime and anti-social behaviour.

### Risk & Opportunity Management Implications:

- 7.6 The prime risks associated with this report are those associated with major construction projects. Full account of risk is taken through compliance, in all works, with the Construction Design & Management Regulations, which amongst other measures, require preparation of project specific Health & Safety Plans.

### Corporate / Citywide Implications:

- 7.7 The Housing Capital Programme reaches to all parts of the city. It seeks to provide substantial improvement to the Council's housing stock. The implementation of the proposed programme will take account of all relevant best

practice guidelines and be developed to provide ever improving performance targets.

**8. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

8.1 No alternative options were considered.

**9. REASONS FOR REPORT RECOMMENDATIONS**

9.1 The Local Government and Housing Act 1989 requires each Local Authority to formulate proposals relating to capital expenditure in respect of the HRA. The council's constitution and financial regulations require that capital budgets are approved through the Cabinet committee system.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. HRA Capital Programme for 2012-15

**Documents in Members' Rooms**

None

**Background Documents**

None



## HRA Capital Programme 2012 – 15

EXPENDITURE	Budget 2012/13	Provisional Budget 2013/14	Provisional Budget 2014/15
	£'000	£'000	£'000
<b>Health &amp; Safety:</b>			
Door Entry Systems & CCTV	230	264	288
Water, Ventilation, Fire Alarms Lighting	298	310	312
Lifts	2,206	2,212	1,672
Fire Safety & Asbestos Management	531	503	474
Minor Capital Works	599	509	504
Roofing	1,229	1,066	1,042
Condensation & Damp Works	408	409	359
Structural works	1,102	322	1,253
<b>Decent Homes work:</b>			
Dwelling Doors	1,346	799	552
Kitchens & bathrooms	2,623	2,179	1,962
Rewiring - Domestic/ Communal	1,509	1,285	1,373
Windows	2,107	2,428	1,778
Energy Efficiency	7,527	7,245	4,639
Cyclical Decorations	2,166	1,599	1,533
<b>Discretionary areas:</b>			
Estate Development Budget	540	540	540
Disabled Aids & Adaptations	850	850	850
Conversions & Extensions Project	492	486	503
Fencing	102	102	103
Cycling Facilities	51	51	51
Estate Services Vehicle Replacement	213	-	-
Housing ICT Budget	100	80	80
<b>Commissioning priorities:</b>			
New Build (35 units) - redevelopment of vacant garage sites	1,000	4,315	
<b>Total Programme</b>	<b>27,229</b>	<b>27,554</b>	<b>19,868</b>



# CABINET

## Agenda Item 192

Brighton & Hove City Council

<b>Subject:</b>	<b>Targeted Budget Management (TBM) 2011/12 Month 9</b>		
<b>Date of Meeting:</b>	<b>9 February 2012</b>		
<b>Report of:</b>	<b>Director of Finance</b>		
<b>Lead Cabinet Member:</b>	<b>Cabinet Member for Finance &amp; Central Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Jeff Coates</b>	<b>Tel: 29-2364</b>
	<b>Email:</b>	<b>jeff.coates@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes/No</b>	<b>Forward Plan No: CAB 21069</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report sets out the revenue and capital forecast outturn position for 2011/12 as at Month 9. Key information in this report is used to inform the General Fund Revenue Budget report elsewhere on this agenda .

#### 2. RECOMMENDATIONS:

- 2.1 That Cabinet notes the provisional outturn position for the General Fund, which is an underspend of £3.187m.
- 2.2 That Cabinet notes the forecast outturn for the Section 75 Partnerships and Housing Revenue Account (HRA) for 2011/12.
- 2.3 That Cabinet notes the provisional outturn position on the capital programme.
- 2.4 That Cabinet approves the following changes to the capital programme:
- i) The new schemes, variations and slippage as set out in Appendices 1 & 2.

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

- 3.1 Reporting has been summarised by strategic budget areas with Appendix 1 providing details of the commissioning and delivery units aligned with these areas. This includes information on critical capital schemes (paragraph 3.17) and capital summaries are included for each of the strategic budget areas within Appendix 1.

- 3.2 The table below shows the provisional outturn forecast for Council controlled revenue budgets within the General Fund and the outturn on NHS managed S75 Partnership Services. Outturn forecasts provide a projection of the anticipated position as at the end of the current financial year (March 2012).
- 3.3 In depth work has been undertaken on the corporate critical budget forecasts and these are summarised in paragraph 3.6. Other budgets are reviewed on a rolling programme although it is expected that all major variances will have been identified. More detailed explanation of the variances can be found in Appendix 1.

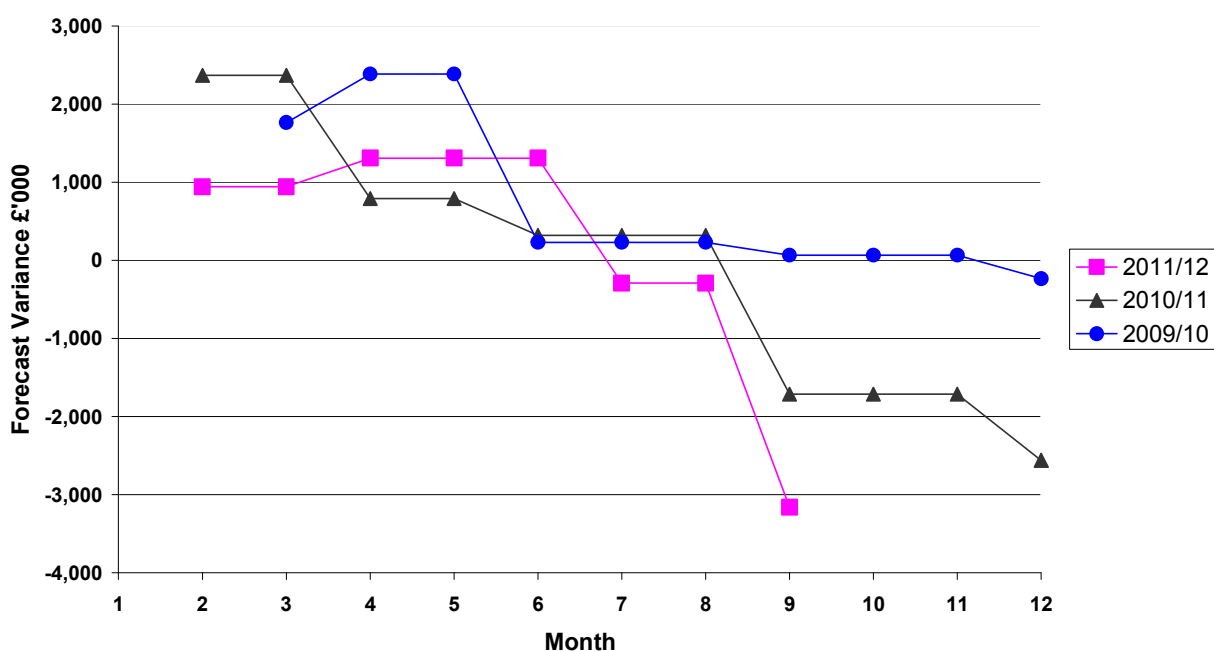
Forecast Variance Month 7 £'000	Directorate	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(719)	People	132,218	129,738	(2,480)	-1.9%
235	Place	51,086	51,221	135	0.3%
172	Communities	13,056	13,031	(25)	-0.2%
120	Resources & Finance	40,053	39,657	(396)	-1.0%
(192)	Sub Total	236,413	233,647	(2,766)	-1.2%
(100)	Corporate Budgets	(2,984)	(3,405)	(421)	-14.1%
(292)	Total Council Controlled Budgets	233,429	230,242	(3,187)	-1.4%
48	NHS Trust managed S75 Services	14,168	14,031	(137)	-1.0%
(244)	Total Overall Position	247,597	244,273	(3,324)	-1.3%

- 3.4 The Total Council Controlled Budgets line in the above table represents the total forecast outturn on the Council's General Fund. The General Fund includes Commissioning Units and Service Delivery Units, which are organised under the strategic areas of People, Place and Communities. These, together with Resource & Finance Units, corporate budgets and Council-managed Section 75 services, make up the Total Council Controlled Budgets. The NHS Trust-managed Section 75 Services line represents those services for which local NHS Trusts act as the Host Provider under Section 75 Agreements. Services are managed by Sussex Partnership Trust and Sussex Community NHS Trust and include health and social care services for Adult Mental Health, Older People Mental Health, Substance Misuse, AIDS/HIV, Intermediate Care and Community Equipment. The financial risk for these services generally lies with the relevant provider Trust.
- 3.5 The above forecasts do not take account of the anticipated saving as a result of strike pay deductions following the recent industrial action. This is expected to be in the region of £0.250m and this will be transferred to the Single Status Reserve at the year end.

### Comparison with Previous Years

- 3.6 The chart below provides a comparison of the forecasts reported to Cabinet for this and the previous two financial years.

### TBM Projections Reported to Cabinet 2009/10 to 2011/12



### Corporate Critical Budgets

3.7 Targeted Budget Management (TBM) is based on the principle that effective financial monitoring of all budgets is important. However, there are a small number of budgets with the potential to have a material impact on the Council's overall financial position. These are significant budgets where demand or activity is difficult to predict with certainty and where relatively small changes in demand can have significant financial implications for the council's budget strategy. These therefore undergo more frequent, timely and detailed analysis. Set out below is the forecast outturn position on the corporate critical budgets.

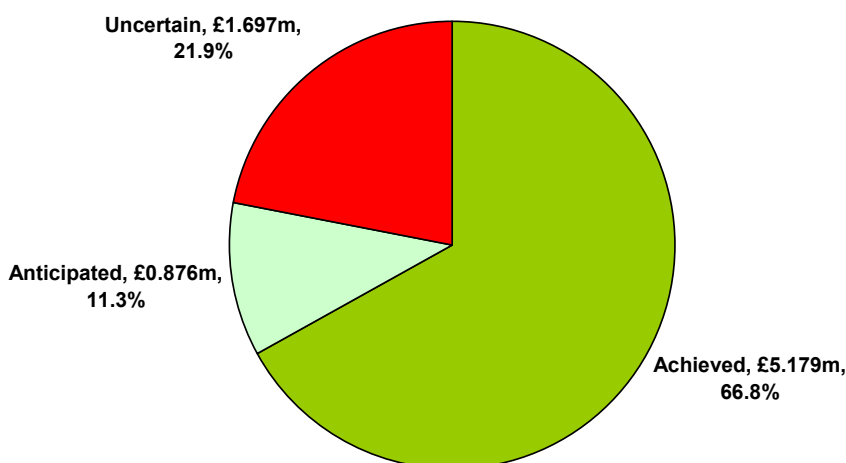
Forecast Variance Month 7 £'000	Corporate Critical	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
35	Child Agency & In House	21,777	21,188	(589)	-2.7%
(4)	Sustainable Transport	(13,586)	(13,733)	(147)	-1.1%
(355)	Housing Benefits	(738)	(1,093)	(355)	48.1%
(279)	Community Care	43,737	43,024	(713)	-1.6%
(603)	Total Council Controlled	51,190	49,386	(1,804)	-3.5%
48	S75 NHS & Community Care	14,168	14,031	(137)	-1.0%
(555)	Total Corporate Criticals	65,358	63,417	(1,941)	-3.0%

## Value for Money (VfM) Programme

- 3.8 The Value for money programme contains large, complex projects which include additional temporary resources (e.g. Project Managers) to ensure they are properly planned and implemented to achieve the required financial and non-financial benefits. However, the projects carry significant risks and may need specialist advice or skills that can be in short supply or they may need to navigate complex procurement or legal processes. Therefore each month the TBM report will attempt to quantify progress on savings in terms of those savings that have been achieved, those that are anticipated to be achieved (i.e. low risk) and those that remain uncertain (i.e. higher risk).
- 3.9 The level of 'uncertain' savings has reduced slightly since month 7 to 21.9%, while the proportion of achieved savings continues to increase and now stands at 66.8% (£5.179m). The overall council underspend position reported above indicates that recovery and other counter measures will more than offset uncertain VfM savings if these are cannot be fully achieved in 2011/12. However, some of these measures are of a one-off nature and therefore every effort will continue to be made to achieve further VfM savings by the end of the financial year since this is critical for the next year's budget position and beyond. Further information about individual VfM projects is included in Appendix 1 under the relevant strategic area.
- 3.10 A summary of current progress toward VfM savings is shown below and a detailed breakdown for each project is provided at Appendix 3.

### Value for Money Programme (All Phases) - 2011/12 Monitoring

Current VfM Target 2011/12 = £7.752m (Full Year = £10.002m)



## Collection Fund

- 3.11 The collection fund is a separate account for transactions in relation to national non domestic rates, council tax and precept demands. Any deficit or surplus forecast on the collection fund in relation to council tax is distributed between the council, Sussex Police and East Sussex Fire Authority in proportion to the value of the respective precept on the collection fund.
- 3.12 The council's share of the projected collection fund deficit position at 31st March 2012 has reduced to about £0.850m from £1.100m due to the increase in student exemptions not being as high as anticipated. Council tax collection remains above target so far this year so the deficit is still entirely as a result of a lower than anticipated liability.

## Housing Revenue Account

- 3.13 The Housing Revenue Account is a separate ring-fenced account which covers income and expenditure related to the management and operation of the council's housing stock. Expenditure is generally funded by Council Tenants' rents. The forecast outturn on the HRA is summarised in the table below. More detail is provided in Appendix 1.

Forecast Variance Month 7 £'000	<b>Housing Revenue Account</b>	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(638)	Expenditure	50,330	49,305	(1,025)	-2.0%
78	Income	(50,330)	(50,194)	136	0.3%
(560)	Total	-	(889)	(889)	

## Capital Budget 2011/12

- 3.14 The table below provides a summary of the capital programme by strategic theme and shows an overall underspend of £0.974m. Within Appendix 1 for each budget area there is a breakdown of the capital programme by Unit.

Forecast Variance Month 7 £'000	<b>Capital Budgets</b>	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Outturn Month 9 £'000
	<b>Budget Area</b>				
0	People	27,788	27,788	0	0.0%
(916)	Place	46,268	45,134	(1,134)	-2.5%
0	Communities	3,357	3,667	310	9.2%
0	Resources & Finance	5,302	5,152	(150)	-2.8%
(916)	Total Capital	82,715	81,741	(974)	4.0%

3.15 Appendix 1 provides details of proposed new capital schemes which are included in the budget figures above. Cabinet approval for new capital schemes is required under the Council's Financial Regulations. It also provides written details of variations (including re-profiled schemes), slippage and underspends. Appendix 2 shows an analysis of these movements and is summarised in the table below.

<b>Capital Budget Movement</b>		2011/12
<b>Summary</b>		Budget £'000
Approved Budget TBM7		89,897
New Schemes		715
Variations to Budget		(7,094)
Slippage		(803)
<b>Total Capital</b>		<b>82,715</b>

3.16 In total, project managers have forecast that £3.544m (£2.741m previously reported and £0.803m this month) of the capital budget may slip into the next financial year and this equates to 4.28% of the budget. This is reflected in the tables above.

3.17 Certain capital schemes have the potential to have significant revenue budget implications if they are not delivered according to timetable. Progress on these more critical schemes is reported regularly through the TBM reports. These schemes are shown in the table below. More detail on these schemes is provided in Appendix 1 under the relevant budget area.

Budget Area	Scheme	Budget (£'000)	Description
People	New Primary School Places	10,012	Delivery critical to keep pace with anticipated increased demand for primary school places.
Place	Vehicle Replacement	676	Forms part of the VFM programme. Delivery is critical to enable planned revenue savings from improved fleet management.
Resources	Accommodation Strategy	2,847	Forms part of the Workstyles VFM programme. Delivery is critical to enable planned vacation of Priory House. Forecast underspend of £0.150m.
Resources	Solar Panel Implementation	0	£0.250m re-profiled into 2012/13 for 3 corporate buildings. The remaining budget is not required following the report to Cabinet on 19 <sup>th</sup> January. – see Resources & Finance capital section in Appendix 1.
<b>Total</b>		<b>13,535</b>	



## **Capital Receipts**

- 3.18 Capital receipts are used to support the capital programme. For 2011/12 the programme is fully funded, however, any changes to the level of receipts during the year will impact on future years' capital programmes and may impact on the level of future investment for corporate funds such as the Strategic Investment Fund, Asset Management Fund and ICT Fund. Capital receipts (excluding housing) are estimated to be £0.820m for 2011/12 and to date £0.837m has been received. This includes the receipts for the disposals of 47 Middle Street, Ovingdean, 34 Roedean Crescent and the second deposit instalments for both Charter Hotel, Kings Road and the Ice rink at Queen's Square.
- 3.19 The Government receive 75% of the proceeds of 'right to buy sales'; the remaining 25% is retained by the council and used to fund the capital programme. The estimated useable receipts for 'right to buy' sales is £0.638m for this financial year and to date £0.364m has been received.
- 3.20 The first tranche of receipts of £3.247m from the housing Local Delivery Vehicle (LDV) has been received out of a total estimated balance of £5.980m for this financial year. The net receipts are ring-fenced to support investment in council owned homes.

## **Comments by the Director of Finance**

- 3.21 The forecast outturn is very encouraging, particularly given the scale of the savings that have been implemented during 2011-12, and releases one-off resources to support the budget planning for 2012/13 and 2013/14. It is important to note that the overall underspend only represents a 1.4% variance on the net revenue budget and the underspend on People services, while again significant in cash terms, represents only a 1.9% variance on a very large area of expenditure.
- 3.22 The report sets out the detailed explanations for the underspend but there are a number of common themes that can be drawn out:
- the continued positive impact of the Value for Money Programme on corporate critical social care spending in both children's and adults services;
  - advance planning for the delivery of savings for 2012-13;
  - a recognition across the organisation of the budget challenges that are being faced resulting in tight control on discretionary spend and on recruitment.
- 3.23 All the key areas of underspend have been analysed to determine whether they are one-off or recurrent. A cross check has been undertaken to ensure that where appropriate recurrent savings have been incorporated into the 2012/13 budget proposals and that the underlying trends on corporate critical budgets are properly reflected in the service pressure assumptions for 2012/13. This process has resulted in only very minor changes to the 2012/13 budget proposals

#### **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

4.1 No specific consultation has been undertaken in relation to this report.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

5.1 The financial implications are covered in the main body of the report

##### Legal Implications:

5.2 Decisions taken in relation to the budget must enable the council to observe its legal duty to achieve best value by securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The council must also comply with its general fiduciary duties to its Council Tax payers by acting with financial prudence, and bear in mind the reserve powers of the Secretary of State under the Local Government Act 1999 to limit Council Tax & precepts.

*Lawyer Consulted:*

*Oliver Dixon*

*Date: 23/01/12*

##### Equalities Implications:

5.3 There are no direct equalities implications arising from this report.

##### Sustainability Implications:

5.4 The report includes progress in meeting energy savings targets set out in the VFM Phase 3 programme.

##### Crime & Disorder Implications:

5.5 There are no direct crime & disorder implications arising from this report

##### Risk and Opportunity Management Implications:

5.6 The Council's revenue budget and Medium Term Financial Strategy contain risk provisions to accommodate emergency spending, even out cash flow movements and/or meet exceptional items. The council maintains a minimum working balance of £9.000m to mitigate these risks as recommended by the Audit Commission and Chartered Institute of Public Finance & Accountancy (CIPFA). The council also maintains other general and earmarked reserves and contingencies to cover specific project or contractual risks and commitments

##### Public Health Implications:

5.7 There are no direct public health implications arising from this report.

### Corporate / Citywide Implications:

- 5.8 The Council's financial position impacts on levels of Council Tax and service levels and therefore has citywide implications.

### **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 The provisional outturn position on Council controlled budgets is an underspend of £3.187m. As mentioned above, underspending will release one-off resources that can be used to aid budget planning in 2012/13. Any overspend will need to be funded from general reserves which would then need to be replenished to ensure that the working balance did not remain below £9.000m.

### **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 Budget monitoring is a key element of good financial management, which is necessary in order for the council to maintain financial stability and operate effectively.
- 7.2 The capital budget changes are necessary to maintain effective financial management.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. Detailed Revenue & Capital Outturn Forecasts
2. Capital Programme Summary
3. VfM Programme Benefits Realisation

#### **Documents in Members' Rooms**

None

#### **Background Documents**

None



## People - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(585)	Commissioner - Children's Youth & Families	17,335	16,311	(1,024)	-5.9%
(58)	Commissioner – Learning & Partnership	10,117	9,864	(253)	-2.5%
416	Delivery Unit - Children's & Families	39,302	39,188	(114)	-0.3%
(227)	Total Children's Services	66,754	65,363	(1,391)	-2.1%
(227)	Commissioner - People	1,840	1,602	(238)	-12.9%
(393)	Delivery Unit - Adults Assessment	49,166	48,297	(869)	-1.8%
128	Delivery Unit - Adults Provider	14,458	14,476	18	0.1%
(492)	Total Adult Services	65,464	64,375	(1,089)	-1.7%
(719)	Total Revenue - People	132,218	129,738	(2,480)	-1.9%

## Explanation of Key Variances

(Note: FTE/WTE = Full/Whole Time Equivalent)

**Commissioner – Children, Youth & Families**

Community Health Services - Information received from the Sussex Community NHS Trust indicates a potential overspend of £397k in 2011/12 on Community Health budgets within the Section 75 arrangements. Information received indicates that the overspend relates to outstanding cost improvement savings but this position is currently being questioned by the Lead Commissioner Children, Youth and Families and the Head of the Children's Services Delivery Unit. The matter has therefore been referred to the S75 Joint Commissioning and Management Groups in line with the council's agreement with the Clinical Commissioning Group and Sussex Community NHS Trust. No pressure in respect of this has been reflected in the figures reported above.

There is an underspend of £0.888m in respect of residential agency placements resulting from lower than budgeted numbers of children placed and average unit costs. There is also a projected underspend of £0.397m on secure placements. However, this is a volatile service area with very high unit costs and one or two placements can have a significant impact on the budget position.

The numbers of children placed in independent foster agency (IFA) placements continues to rise, but actions are in place to bring costs in this area down (see below). During 2010/11 there were 164.52 FTE placements representing a 23% increase on the previous year. Currently there are 189.34 projected FTE placements. Despite a significant reduction in the number of Parent & baby placements during October the overspend is still projected to be £0.790m.

Following the review of early intervention services an underspend in 2011/12 of £0.377m has been identified.

As part of the continuing reorganisation of children's social care services, a number of new safeguarding posts have been created in 2011/12 and these were not fully recruited until recently resulting in an in-year underspend of £0.090m.

The Children's Services Value for Money project is effectively addressing the level of activity and spend in IFA's. The plan focuses on strengthening preventive services and streamlining social care processes including:

- implementing a tiered approach to the procurement of placements for looked after children, reducing the proportion of high cost placements;
- improving the commissioning and procurement of expert assessments in care proceedings, strengthening arrangements for early permanence planning and increasing the numbers of in house foster placements able to provide tier 1 care;
- Strengthening early intervention and preventive services and commissioning a transformation change programme to support the re-structuring of social work services in the Children's Delivery Unit.

The 2011/12 children's services VFM savings target is £2.019m. Current activity indicates that all of these savings have been achieved.

### **Commissioner – Learning & Partnership**

There are underspends of £0.204m in home to school transport, £0.081m in the school improvement Service and £0.055m for Education Welfare. The underspend on home to school transport reflects the continued reduction in the numbers of children being transported as well as the more favourable terms of the recently renegotiated contracts. This is offset by the overspend of £0.095m relating to the planned closure of the Learning Development Centre (LDC) at the end of January and the associated loss of booking income. This is related to planned changes across the service and links to the corporate accommodation strategy and will involve moving more office based staff into the LDC to generate service efficiencies and rationalise property use.

### **Delivery Unit – Children & Families**

The corporate critical budget for agency disability placements is projected to overspend by £0.301m. The number of children with disabilities placed has increased over the last 12 months and now there are 14 children in placement compared with a budgeted level of 11 places.

Allowances and direct services for adopted children are currently projected to be overspent by £0.131m by the end of the year. This is predominantly caused by inter-agency adoption costs, where the council belongs to a group of local authorities to obtain the best matches for adoptive parents. The net costs of these adoptions are then recharged between the group members and this year it is anticipated that BHCC will have a significant net liability, However, the success of these adoptions avoids potentially much higher costs for independent foster agencies placements and therefore, although there are pressures on this budget, this represents good value for money compared with alternative arrangements.

This is a very volatile service area and may be subject to significant changes during the year.

At the present time there is a projected overspend of £0.282m agency spend on social workers, but this is subject to considerable variance. A successful advertising campaign in the spring/early summer saw the recruitment of a dozen new staff but there is continuing churn of social workers. A particular challenge remains to the service from other local authorities, including London boroughs, offering a significant 'golden hello', drawing-in staff from across the south east. Frontline teams are significantly staffed by younger people who often have greater mobility.

There is also a small overspend of £0.039m predicted on the corporate critical budget for services to care leavers.

The overspends mentioned above are off-set by the underspend of £0.434m in the corporate critical budget for in-house placements. The budget allows for 416 FTE placements of differing types and the current numbers are 20.24 FTE below this level. This is mainly due to fewer residence orders and family & friends placements than budgeted. The average unit costs are slightly higher than budgeted mainly as a result of the mix of different placements with fewer children in the lower cost placement types (e.g. residence orders & family & friends placements). There are also underspends of £0.148m for Sure Start services, £0.115m relating to the in-year review of Early Intervention services, £0.096m on services for unaccompanied asylum seeking children and £0.132m on the Youth Employability Service (YES). The 2011/12 budget for YES includes the one-off amount of £0.200m transition funding and £0.093m relating to the part year effect of the 2011/12 savings proposals. The underspend has arisen as a result of robust financial management contributing towards balancing the overall Children's Services budget. In addition, the actual transitional costs have turned out to be less than initially estimated while designing the new service. As the transitional funding was one-off, it is not available to fund developments which would extend beyond 31st March 2012.

### **Commissioner - People**

There is a forecast underspend of £0.238m (a small improvement from Month 7), largely as a result of staff savings identified and one-off income streams.

### **Delivery Unit – Adults Assessment**

Assessment Services are reporting an underspend of £0.869m (an improvement of £0.476m from Month 7), due largely to savings against the Community Care budget.

The Community Care forecast underspend is £0.713m, of which £0.520m is against Older People (80 WTE clients less than budgeted). There are also underspends of £0.442m against Learning Disabilities, where net growth has been less than expected, and £0.047m against No Recourse to Public Funds. These have been offset by a pressure on Physical Disabilities of £0.296m (6 WTE clients more than budgeted). There have been several large packages of care that have been successfully awarded Continuing Health Care funding. The costs of these packages were previously included within the forecasts (approximately £0.300m notified over the last two months), with approximately £0.100m backdated to the previous financial year. There is a risk that Continuing Health Care funding may not be sustained at the same level into 2012/13.

Across mainstream services there is an underspend of £0.156m, largely from staff savings identified - this includes the delivery of the £0.150m workforce savings identified in the budget strategy.

### **Delivery Unit – Adults Provider**

- Provider Services are reporting a small overspend variance of £0.018m, an improvement of £0.110m from Month 7, reflecting a reduction in the expected initiative spend against supported employment.



## People – Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Delivery Unit - Children's & Families	320	320	0	0.0%
0	Commissioner - Schools, Skills & Learning	26,785	26,785	0	0.0%
0	Total Children's Services	27,105	27,105	0	0.0%
0	Delivery Unit - Adults Provider	187	187	0	0.0%
0	Delivery Unit - Adults Assessment	491	491	0	0.0%
0	Commissioner - People	5	5	0	0.0%
0	Total Adult Services	683	683	0	0.0%
0	Total Capital - People	27,788	27,788	0	0.0%

### Critical Budget - New Primary School Places (Re-profile £1.000m)

Funding has been allocated for additional junior places in Hove following the provision of additional infant places at Connaught Road. A number of sites in the area are under consideration. However, no substantive work has been started due to factors outside of the council's control.

Proposals for the re-organisation of primary places in Portslade are currently being discussed with interested parties. No substantive design or building work has progressed. This will now start in 2012/13.

We are currently forecasting a spend of £10.012m in 2011/12 for Primary Capital. As a result, we are seeking to reprofile (£1.000m) to 2012/13 to assist in meeting our commitments next year.

### New Capital Schemes

#### Delivery Unit – Children's & Families

##### Youth Service Vehicle (£0.040m)

A replacement Peugeot Boxster Van has been purchased to be used as a mobile youth information bus for targeted work with young people across the city. The use of the mobile unit increases capacity and flexibility of the youth service and partners and enables us to provide services to young people who are hard to reach and most vulnerable across the city. The replacement vehicle will avoid increasing maintenance costs and issues.

### Variations

#### Commissioner – Learning & Partnership

##### Whitehawk Co-location (£0.528m)

The various major components of the Whitehawk Co-Location project were completed successfully in 2011/12. Final costs for building and demolition work are being agreed. Following occupation, some modest additional work, plus furniture and equipment are being considered and agreed with the relevant parties.

A spend of £1.835m is forecast for 2011/12. It is recommended to re-profile £0.528 to meet the final costs of this scheme. At this stage an overall saving in the order of £0.450m is anticipated. Any savings identified after all final costs have been agreed will be re-allocated to the provision of Junior School places in Hove.

### **Capital Maintenance (£0.950m)**

Some of the funding for capital maintenance has been allocated to undertake work at Benfield Primary School to complete its re-organisation from a Junior School to a Primary School. Work started in November 2011 and is now scheduled to complete in June 2012.

In addition, funding was allocated for additional junior places in Hove following the provision of additional infant places at Connaught Road. A number of sites in the area are under consideration with stakeholders and interested parties. However, no substantive advanced design work has started.

Funding allocated to the proposals to re-organise primary places in Portslade are currently being discussed. No substantive design or building work has progressed. This will now start in 2012/13.

Forecast expenditure is currently £2.625m in 2011/12 for Capital Maintenance. As a result, it is recommended to re-profile (£0.950m) to 2012/13 to assist in meeting our continuing commitments next year.

### **Commissioner – People**

#### **Cromwell Road Basement Development (£0.145m)**

The delay in this project is due to the specialist nature of the development as it is for people with learning disabilities and complex challenging behaviours and as a consequence of this the specification has required specialist input from external agencies and consultation with the potential service users and families. The building is being developed according to the specific needs of the individuals and we must therefore work closely with them, their families and other professionals to ensure that the development is suitable. The consultation process with the families of potential service users has taken longer than expected which has contributed to the delay. The latest estimate for the development work to be completed at Cromwell Road is July 2012 so will need re-profiling. As the construction will not commence until May, the majority of the total cost of £0.150m will need to be carried forward. It is therefore requested that £0.145m be carried forward to 2012/13, with the remaining £0.005m this financial year for professional fees incurred to date.

### **Delivery – Adults Assessment**

#### **IT Infrastructure and Adult Social Care Reform Grants Reprofile (£0.078m)**

The two budgets are funding a programme supporting systems changes in adult social care which are linked to both the personalisation programme and the drive for more efficient delivery.

The two major projects underway in 2011/12 are the introduction of Electronic Care Monitoring across all service providers and the implementation of a rostering system for in house service provision. There have been delays in full implementation of the project plans as there have been technical interface issues to resolve between two external systems providers and also some implementation issues with a few of our service providers. The delays have also required a review of the budget required for these projects. The matters have been resolved such that we are confident of full implementation being achieved by March 2012.

The delay has had no impact on service users but does mean that we are continuing to operate with less efficient systems and the benefits of the new systems have yet to be fully realised.

### **Short Breaks for disabled children (£0.243m)**

The 2011/12 grant available is £0.379m; this will be used to purchase equipment and transport to facilitate various short break activities (£0.114m) and a mini-bus for Tudor House (£0.022m).

This would leave £0.243m to be re-profiled into next year and to be used, in conjunction with the CityParks project, to provide improved inclusive play equipment and facilities in a number of venues (£0.130m). Also a contribution towards a project for additional short break facilities for young people with moderate learning disabilities and challenging behaviour, in conjunction with one of our special schools. These plans for next year are still to be confirmed once further discussions have taken place with the relevant agencies.

### **Changes under £0.050m**

An additional contribution of £0.015m has been received towards the 55 Drove Road scheme.

**Place - Revenue Budget Summary**

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
119	Commissioner - City Regulation & Infrastructure	3,469	3,541	72	2.1%
46	Delivery Unit - City Infrastructure	25,000	24,809	(191)	-0.8%
(49)	Delivery unit - Planning & Public Protection	5,216	5,193	(23)	-0.4%
(21)	Major Projects	306	285	(21)	-6.9%
95	Total City Regulation & Infrastructure	33,991	33,828	(163)	-0.5%
(30)	Commissioner - Housing	16,796	16,863	67	0.4%
170	Delivery Unit - Housing & Social Inclusion	299	530	231	77.3%
140	Total Housing	17,095	17,393	298	1.7%
235	Total Revenue - Place	51,086	51,221	135	0.3%

**Explanation of Key Variances****Commissioner - City Regulation & Infrastructure**

Sustainable Transport is forecasting an overspend against budget of £0.072m. The main variance of £0.075m relates to a projected shortfall in income from recharging officer time to capital projects in Highway Engineering & Projects.

**Delivery Unit - City Infrastructure**

Parking Operations is now forecasting an underspend against budget of £0.147m, an improvement of £0.143m since month 7.

There is a shortfall in the level of on-street pay and display income but this is mainly mitigated by increases in permit income. Overall this has led to a shortfall against budget of £0.040m. Income from the off-street car parks reflects the poor condition of Regency Square Car Park which will be addressed by the agreed refurbishment works. The shortfall against budget overall for the off street car parks is £0.178m. The forecast for the HRA High Street Car Park is for an overspend of £0.028m as the car park has had to close for refurbishment works.

Income from penalty notices is expected to exceed budget by £0.265m, due to concentrating enforcement in the areas most affected by poor parking and through enforcement of bus lanes. Efficiencies in the removals service and enforcement contract variations will lead to expenditure savings of £0.168m. A sum of £0.250m will therefore be used to contribute to the Regency Square car park refurbishment capital scheme, reducing the reliance on borrowing to fund this project.

Salary underspends total £0.080m due to vacancy management. There is an additional underspend of £0.130m owing to improvements to the system of medical assessments for blue badges.

Highways is now forecasting an underspend against budget of £0.044m. This is due to additional income from tables and chairs, A-Boards and hoardings.

CityClean is predicting a breakeven position against budget. An underspend of £0.410m on employee/agency costs will be used to invest in refuse and recycling fleet (part of the Vehicle Replacement Capital Programme), which will reduce future years' borrowings costs, with an overall financial benefit to the council.

### **Delivery unit - Planning & Public Protection**

Development Planning is forecasting an underspend against budget of £0.069m, of which £0.045m is due to vacancy management savings, and £0.024m is due to additional Development Control income.

In Public Protection there is a pressure due to increased vet and kennelling costs of £0.010m and an overspend of £0.036m in staff costs relating to Environmental Protection work.

### **Major Projects**

There is a projected underspend of £0.021m relating to staffing costs.

### **Commissioner – Housing**

The projected overspend of £0.067m is an increase of £0.097m from month 7 and is mainly a result of additional spending on staffing in homelessness. This was in order to clear the backlog of work that had accumulated due to the increase in homelessness applications, which we were anticipated as result of the economic downturn. There is also additional spending on leasing properties as a result of needing to increase the stock above original projections to meet increased demands, coupled with having to pay more for leases as the rented housing market is very robust with rising prices. There are other offsetting variances within the forecast including the previously reported pressure at Palace Place/Old Steine for which management plans are now in place to resolve in 2012/13.

### **Delivery Unit – Housing & Social Inclusion**

The budget for Travellers is now projected to overspend by £0.231m compared to an overspend of £0.170m reported at month 7. This is mainly due to additional costs for security (£0.120m), rubbish clearance (£0.080m) and legal fees (£0.050m). These costs are offset by minor underspends elsewhere in the service.

**Place – Capital Budget Summary**

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Commissioner - City Regulation & Infrastructure	5,224	5,202	(22)	-0.4%
(129)	Delivery Unit - City Infrastructure	3,999	3,674	(325)	-8.1%
0	Major Projects	533	533	0	0.0%
(129)	Total City Regulation & Infrastructure	9,756	9,409	(347)	-3.6%
0	Commissioner - Housing	5,521	5,521	0	0.0%
(787)	Delivery Unit - Housing & Social Inclusion (HRA Capital)	30,991	30,204	(787)	-2.5%
(787)	Total Housing	36,512	35,725	(787)	-2.2%
(916)	Total Capital - Place	46,268	45,134	(1,134)	-2.5%

**Critical Budget – Vehicle Replacement (Re-profile £0.123m from 2012/13 to 2011/12)**

A sum of £0.123m needs to be re-profiled from 2012/13 to 2011/12 to fund the level of anticipated expenditure in the current year. It is planned to use £0.410m of revenue funding instead of unsupported borrowing to fund this scheme. This will allow unsupported borrowing funding to be moved to future years to fund investment in the fleet. This will reduce revenue costs in future years and reduce the council's overall borrowing requirement.

**New Capital Schemes****Delivery Unit – Housing & Social Inclusion (HRA)****Redevelopment of HRA vacant garage site of £0.675m**

As part of ongoing partnership work the Home & Community Agency (HCA) approached the Council in November 2011 with the possibility that funding may be available to prepare identified Brownfield Sites for development. This funding would be for money spent in the financial year 2011/12 and would not be tied to delivery but the HCA would expect to see the council work up delivery solutions during this period.

Initial potential sites have been identified by the Housing Development Team in consultation with the Asset Management and Garage Team. The criteria were that they must be empty and deliverable. Feasibility, design and preparation work will be taken forward in consultation with key stakeholders.

The funding of this feasibility, design and site preparation for the vacant garage sites will be reimbursed through grant from the Homes and Community Agency (HCA) provided the work is completed and invoiced by the 31 March 2012.

In order to maximise the grant funding for this project preparation needs to commence as soon as practicable and be completed within the HCA deadline.

If any costs relating to this project do slip into the financial year 2012/13 these will be met through HRA capital reserves.

### **Variations**

#### **Commissioning Unit – City Regulation Infrastructure**

##### **Local Transport Plan (Increase of £0.480m)**

For 2011/12, further funding of £0.480m has recently been provided by the Department of Transport for the Local Transport Plan. Allocation of this additional funding will be made in line with the priorities and projects identified in the 2011/12 LTP capital programme (approved in April 2011), and the objectives set out in the council's new LTP which include reducing carbon emissions and increasing equality of opportunity.

As the funding has been made available late in the financial year, it will predominantly be spent on priority projects that can be started quickly, or equipment that will be required for ongoing programmes of work. Therefore, this will focus on the resources required to implement maintenance schemes for roads, pavements and street lights, as well as traffic signals and traffic management cameras and signs. Locations could include:

- A23, A270, A259 (road maintenance)
- The seafront and The Drive (street lighting)
- Church Road/Hove Street and Dyke Road/Upper Drive (tactile cone facilities at pedestrian crossings)
- Church Road/George Street (traffic signal equipment)
- The Seafront and Old Steine (CCTV cameras)
- A259 (variable message car park sign)

The current forecast assumes that all this funding will be spent.

#### **Delivery Unit – City Infrastructure**

##### **Hollingdean Depot Capital Costs £0.152m**

Demolition delays have resulted in additional health and safety measures being implemented to the building itself and increased health and safety monitoring. This and the lack of diesel pump drainage identified by Environment Agency as a possible source of contamination has resulted in additional time being spent on design works. All these issues are contained in the Opportunity and Risk Register which is regularly reviewed and updated by CityClean, Property & Design and Health and Safety.

### **Street Lighting (lanterns) re-profile (£0.300m) and underspend (£0.100m)**

The first stage of the project is in progress which entails testing and design work for the relevant streets. The investment will now be to the sum of £300,000 to enable the changing of 650 lanterns across the city; equipment will be ordered from April 1st and installed in stages over the financial year. The sum also includes a number of full column changes to facilitate the project. Based on the current cost of energy at 9p per kilowatt hour the payback period for the investment is 11 years. However it is highly likely that with predicted increases to energy costs that this will reduce significantly.

### **Tarner Park S106 £0.071m**

Tarner Park had improvements to play facilities funded through S106 agreement from the Ebenezer Chapel development. This work was incorporated into the Playbuilder project to ensure value for money as part of a larger procurement. The total budget increase required in 2011/12 is £0.064m with a further small balance of £0.007m which will be used 2012/13 to further enhance the site.

### **Variations under £0.050m**

#### **Parks S106 Re-profiles**

Re-profiles into 2012/13 are requested for various S106 funded park improvements: Vale Park Portslade Improvement (£0.023m), Saunders Park Playground (£0.025m), Queens Park Playground (£0.032m), St Anne's Wells Gardens (£0.017m), Knoll Recreation Ground (£0.039m), Queens Park (£0.020m), Stoneham Park (£0.028m) and Aldrington / Wish / Saltdean / Tarner (£0.030m).

#### **Gritter Vehicles**

Following a rigorous procurement process a re-profile of (£0.024m) into 2012/13 is requested. This will leave an underspend of £0.096m on this scheme – see underspends section.

### **Major Projects**

#### **New England House (£0.081m)**

The re-profile of £0.081m is mainly due to significantly lower building condition survey costs than originally envisaged. This price was driven down by running a competitive tendering process and by using in-house resources as far as possible to ensure we are not paying consultants to duplicate work already done within the council. An appropriate level of funding is also being held to undertake a large scale procurement exercise for the building, but this has not happened in 2011/12 as the city council is undertaking further work on examining options. It is possible that c.£20,000 will be used for 'the CURE', a pilot project within the building to market test and develop the digital/creative hub model which will bring with it European funding, but due to the project not being considered for approval until May 2012 the money cannot be spent in the current financial year.

#### **Preston Barracks (£0.060m)**

The council has continued to work in partnership with the University of Brighton towards comprehensive redevelopment of city council and university land on either side of the



Lewes Road. Good progress has been made through 2011/12, most notably the joint development of a Planning Brief in the early part of 2011, the final version of which was approved at the Planning, Economy, Employment and Regeneration (PEER) CMM meeting on 15 September 2011. The partners have since agreed that a detailed master plan is required to inform scheme progression and future decision making on land use, phasing, procurement and delivery arrangements. The master plan was tendered in November 2011 and the partners are now evaluating submissions with a view to appointing the successful team by the end of January 2012. This represents a slight delay on the anticipated timetable, as a consequence of which, spending on specialist advice and support (e.g. financial viability and legal) will now be needed in 2012/13 as the master plan develops and as options testing is undertaken.

### **Shoreham Harbour Regeneration (£0.060m)**

In 2010/11 the city council agreed to make a financial contribution towards the newly created Joint Area Action Plan team for planning and project co-ordination of the Shoreham Harbour Regeneration project. In the expectation of this team having a continuing role, the same financial provision was made in 2011/12. However, subsequent partner decisions on the future direction of the project mean this is no longer required and the city council's involvement in the project has been met from existing officer resources.

### **Brighton Centre Redevelopment (reserve) (£0.199m)**

The Brighton Centre project with Standard Life remains live and the current level of funds have been retained for this purpose. Twin track options of full scale refurbishment of the building or a wider redevelopment of the central area (based upon the current partnership scheme with Standard Life) are both under consideration. This approach has been agreed with the Council leadership and SLB. The Major Projects Team are leading on both pieces of work with Strategic Finance, Property Teams (Building Maintenance and Facilities) and the Brighton Centre Technical Team to move towards a full and robust appraisal of the costs, risks and opportunities presented by each option. It is proposed that a full Business Case be presented to Government once arrangements are announced for Tax Incremental Financing and indications suggest the additional business rates produced, in tandem with a turn around in operational profit delivered by a new convention centre, would produce borrowing potential sufficient to make significant inroads to the likely funding gap. A meeting with Standard Life and the Council leadership before Christmas indicated a willingness on both sides to pursue this option to resolution in the next 4-6 months.

The current level of funding has therefore been retained in anticipation of the above and in readiness for work beginning with Standard Life. The funds would ensure the Council has the necessary resource and expertise to protect its position as work proceeds. If the Council decides at a future point to call a halt to any further work with Standard Life (if the final funding position appears unviable and no new options remain on the table) these funds will no longer be required. A proportion would still be needed to take forward a refurbishment proposal which would almost certainly involve closure of the centre and significant work to areas of the building critical to its operation (lifts, roof, service yards, and access).

### **Variations under £0.050m**

Re-profiles into 2012/13 are requested for the following schemes: Circus Street Development (£0.040)m, Falmer Released Land (£0.032)m, i360 project (£0.037)m, Open Market (£0.030)m King Alfred Development (£0.041m), and The Keep (£0.028)m.

### **Commissioner – Housing**

#### **Increases to schemes under £0.050m**

Increases to budget are requested for Disabled facilities Grant of £0.013m funded by increase in grant and Local Delivery Vehicle on going costs of £0.020m funded by Brighton & Hove Seaside Community Homes Ltd.

### **Delivery Unit – Housing & Social Inclusion (HRA)**

#### **Window Replacement (£0.360m)**

There is currently a delay in the window replacement programme at the Bristol Estate. This has been caused by delays in starting the project due to the tendering and specification process which requires that the partnership can show it is getting best value for money for the leaseholders and the city. This has taken longer than anticipated due to the need to revise the scope of the works and seek further planning approval. There has been no effect on the day to day service delivered to tenants. The project is now expected to be completed in the first half of the next financial year on these properties will give additional energy efficiency and costs benefits to residents.

#### **Communal Rewire (£0.520m)**

There are two projects within the communal rewire budget which need to be moved to future year's programmes as a result of other works being required which have had to take precedence. At Essex Place works have been delayed due to the lift replacement being brought forward and at Bristol Estate structural and external works are required before any rewiring works are completed. There has been no effect on the day to day service delivered to tenants with the project being delivered with as little disruption as possible.

#### **Door Installations £0.136m**

The door installation programme has been progressing well. Additional funding from next year's budget of £0.136m is being requested to be brought forward to maintain the momentum for replacement of doors in properties that have failed the decency standard. Particularly in the Woodingdean area which has more works required than originally anticipated being in the current year's programme.

This will have a positive impact on residents as approximately 239 more doors than originally anticipated will become 'decent' this financial year. This will also help to achieve the decent homes target for the city in this year.

#### **Kitchen Installations £0.312m**

The kitchen replacement programme has been progressing well. Additional funding from next year's budget of £0.312m is being requested to be brought forward to maintain the momentum for replacement of kitchens in properties that have failed the decency standard.

This will have a positive impact on residents as approximately 100 more properties that originally anticipated will become 'decent' this financial year. This will also help to achieve the decent homes target for the city in this year.

### **Ainsworth House (£0.500m)**

It has been previously reported to Cabinet at month 7 that the procurement stage of the project had taken 12 weeks longer than anticipated, which meant that contract sums due to be released for construction in 2011/12 would be released in 2012/13, therefore requiring £1.2m budget to be re-profiled into 2012/13.

A delay in contract sign-off due to contractual clarifications has caused a further month's delay to the project which requires further re-profiling of the budget into 2012/13. To mitigate this delay time will be made up elsewhere during the build process and therefore should not have a significant impact on delivery. The Grant allocation will not be affected.

## **Slippage**

### **Delivery Unit – City Infrastructure**

#### **Downland Initiative Programme (£0.237m)**

The council is currently producing a Biosphere Reserve bid. This includes a number of significant projects on the estate, for example a large block of open access land to the west of Ditchling Rd, which are in line with the Downland Initiative and could be financed by the programme budget. With the establishment of the South Downs National Park Authority, detailed work on areas of responsibilities are being finalised, for example, responsibilities for rights of way and access land and officers are currently working on an accord with the National Park on responsibilities in this area.

Rather than keep to the original plan to spend the money in this financial year, spending has been delayed to ensure that the council can maximise the opportunity for joint working with the National Park to ensure that members' priorities within the Downland Initiative can be delivered.

#### **Minor Slippage below £0.050m**

There is slippage of (£0.007m) in relation to the Tarner Park S106 scheme.

## **Underspends**

### **Delivery Unit – City Infrastructure**

#### **Gritter Vehicles**

Following a vigorous procurement process there is an underspend of £0.096m on this scheme. This is after £0.024m has been re-profiled into 2012/13.

**Minor Underspends under £0.050m**

King George VI Highway works (£0.004m) and Shoreham Harbour CIF works (£0.018m) are projecting small underspends.

**Previously reported underspends**

The Lanes & London Road Car park improvements (£0.129m), Water Tanks (HRA) (£0.720m) and other small underspends in Housing (HRA) of (£0.067m) have already been notified to Cabinet in TBM7.

**Communities - Revenue Budget Summary**

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Commissioner - Communities & Equalities	3,446	3,446	0	0.0%
0	Community Safety	2,357	2,357	0	0.0%
0	Commissioner - Sports & Leisure	1,404	1,404	0	0.0%
0	Commissioner - Culture	2,049	2,049	0	0.0%
172	Delivery Unit - Tourism & Leisure	3,800	3,775	(25)	-0.7%
172	Total Revenue - Communities	13,056	13,031	(25)	-0.2%

**Explanation of Key Variances****Commissioner – Communities & Equalities**

There are currently some minor variances across the service, however, the expectation is that these will be managed and a break-even position or better achieved by year-end.

**Community Safety**

As above, there are currently some minor variances across the service, however, the expectation is that these will be managed and a break-even position or better achieved by year-end.

**Commissioner – Sports & Leisure**

This budget relates mainly to contractual payments for leisure services. Payments are monitored closely and although there are currently some small variances a break-even position is expected by year-end.

**Commissioner – Culture**

Similarly, this budget includes contractual payments, for example relating to the Brighton Festival, and therefore costs are understood well in advance and do not vary considerably. A break-even position is expected to be achieved.

**Delivery Unit – Tourism & Leisure**

The forecast across Tourism and Leisure has improved by £0.197m from an overspend position of £0.172m at TBM7 to a projected underspend of £0.025m. This forecast includes projected overspends of £0.014m for Tourism & Marketing and £0.007m for the Royal Pavilion and Museums which have been offset by projected underspends on the Seafront and Sports facilities of £0.034m, Sports Development of £0.029m and Venues of £0.025m.

The Venues forecast underspend includes a pressure of £0.078m regards the ongoing income risk against the Hove Centre, as last year, and £0.082m income pressure against the Brighton Centre based on confirmed business. These pressures have been offset by savings identified elsewhere including increased recharges of costs and changes to the Ticketmaster contract. The Royal Pavilion and Museums forecast overspend of £0.007m

includes admissions income at £0.193m above target although this has been exceeded by additional security costs and unachieved income in the Tea Rooms. In all areas actual and forecast income is closely reviewed and action is being taken to maximise any business opportunities.

## Communities - Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Commissioner - Sports & Leisure	744	744	0	0.0%
0	Delivery Unit - Tourism & Leisure	2,613	2,923	310	11.9%
0	Total Capital - Communities	3,357	3,667	310	9.2%

## Variations

### Delivery Unit – Tourism and Leisure

#### **Brighton Centre Façade (Increase in budget from the Brighton Centre Reserve of £0.259m and overspend of £0.310m)**

Initially aspects of this scheme totalling £0.259m were expected to be treated as revenue expenditure. Following clarification of accounting guidance this has been reclassified as capital expenditure and therefore the revenue resources previously set aside need to be added to the capital budget, giving a total budget of £0.606m.

The forecast outturn for the capital works at the Brighton Centre is estimated to be £0.916m against the revised budget of £0.606m leaving an overspend of £0.310m. The overspend has arisen due to unforeseen excavation works and delays resulting in additional costs being incurred such as extra scaffolding costs, extra concrete costs and the erection of temporary structures in order to avoid the cancellation of events.

Discussions are currently ongoing with the contractor regarding final contract sums. In the interim, the additional costs will be funded from the Brighton Centre Reserve.

## Slippage

### **Royal Pavilion Lighting (£0.234m)**

Delays in the start of the procurement process have meant that the pre-qualification questionnaire process was not started until October. Following evaluation of the returned PQQs, five contractors have now been invited to tender for the contract. Return of the tender documents is not until the beginning of February. The evaluation process and award of the contract will follow. The work to decommission the existing scheme and install the new one is not likely to start until the beginning of March and it is not expected that any spend will take place in the current financial year. The existing security lighting scheme will be used until the new system is in place.

## Resources &amp; Finance - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(81)	Delivery Unit - City Services	14,301	14,028	(273)	-1.9%
(355)	Housing Benefit Subsidy	(738)	(1,093)	(355)	48.1%
671	Resources	19,117	19,474	357	1.9%
(115)	Finance	6,138	6,013	(125)	-2.0%
0	Strategic Leadership Board	1,235	1,235	0	0.0%
120	Total Revenue – Resources & Finance	40,053	39,657	(396)	-1.0%

## Explanation of Key Variances

**Delivery Unit – City Services**

City Services are reporting an underspend of £0.273m, which is an improvement of £0.192m from Month 7.

The movement is due to a variety of factors, including a detailed review of ICT related costs within Revenues and Benefits leading to a budget saving of £0.085m; improved income forecast within Bereavement Services of £0.042m and further staff savings within Cashiers and Reception of £0.041m. The remaining underspend relates to savings identified from vacancy management and other non-pay budgets.

**Housing Benefit Subsidy**

The corporate critical Housing Benefit budget is expected to generate an additional £0.355m in subsidy as local authority errors are predicted to be held below the government threshold and therefore attract additional subsidy. This is a large and complicated budget area and the forecast will be kept under review as new data becomes available from the Housing Benefit system over the remainder of the year.

**Resources**

The net overspend across Resources is £0.357m, of which the main variances are on the following areas: -

**Human Resources (£0.260m overspend)**

Significant budget risks in the People Centre continue due to the pressure of work in this area and the potential need for additional short-term resources to manage risks effectively. However, continued management effort has reduced the projected overspend by a further £0.040m to £0.260m mainly through savings within the Health and Safety budget offset by People Centre pressures. Human Resources will continue to work strenuously to improve the position in advance of the review of systems and services which is due to begin immediately after the procurement process has been completed.

**Communications (£0.060m overspend)**

The forecast overspend of £0.060m for 2011/12 is an improvement of £0.051m compared with month 7 (£0.111m overspend) and a significant improvement compared with the 2010/11 overspend of £0.459m. This significant improvement is largely a result of the



consolidation of communications activities now coming to fruition as originally set out in the Communications Value for Money programme.

The consolidation process has brought about greater economies scale and communications e.g. greater management of demand, more efficient procurement and revenue generated from greater use of in-house design, print & sign functions, and better forward planning of strategic communications activities aligned with specified budgets. This has been a complex and challenging piece of work given the scale (spanning the entire council) but the outcome has led to a more efficient service offering best practice communications.

Additionally, total spend on communications continues to reduce across the organisation as a result of the work done to focus communications, improve consistency, reduce the number of communication's suppliers and integrate communications from different parts of the council.

The advertising and sponsorship tender is on track to award contracts before the end of this financial year - as previously reported, due to uncertainty around the £0.250m savings in this financial year a risk provision of £0.250m has been allocated to this budget on a one off basis.

### **Property & Design (£0.053m overspend)**

Property & Design are forecasting an overspend of £0.053m, which is a decrease of £0.212m from Month 7. The improved position reflects an increase in Property's technical services consultancy fee income. This is in relation to projects needed to address the additional schools places required this year at four schools including the refurbishment of the Connaught School.

The commercial portfolio has also benefitted from fortuitous income received recently and some NNDR refunds. These changes have helped offset the previously reported income pressures.

### **ICT**

The forecast for Month 9 is a small overspend of £0.020m.

### **Legal & Democratic Services**

The forecast for Month 9 is an underspend of £0.036m.

### **Finance**

The forecast for Month 9 is an underspend of £0.125m. Within this, Audit are forecasting an underspend of £0.062m, largely as a result of staff vacancies now confirmed to the end of the financial year. There is also an underspend of £0.063m across Financial Services and Strategic Finance & Procurement.

### **Strategic Leadership Board**

The forecast for Month 9 is a break-even position.

## Resources & Finance - Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Delivery Unit - City Services	204	204	0	0.0%
0	Resources	4,903	4,753	(150)	-3.1%
0	Finance	195	195	0	0.0%
0	Total Capital – Resources & Finance	5,302	5,152	(150)	-2.8%

### Critical Budget – Accommodation Strategy (underspend of £0.150m)

Phase One of the Accommodation Strategy (Workstyles) involved the vacation of Priory House and creation of the new customer service centre and refurbishment of three floors of Bartholomew House. The scheme had a total budget of £3.720m over 2011/12 and 2012/13 which was funded from a combination of borrowing and Asset Management Fund.

The project included building works, staff moves, decants, furniture, ICT and telephony and was completed £150,000 under budget. This underspend will be used in Phase Two of Workstyles in the 2012/13 financial year.

### Critical Budget – Solar PV Implementation (re-profile £0.250m)

The council had planned to install solar photovoltaic (solar PV) roof mounted systems suitable for feed-in-tariff (FIT) payments onto a range of its properties at an estimated cost of £2.6m for 39 sites including schools and corporate buildings. The works were timed to take advantage of the feed-in-tariff available until 31st March 2012, however, the recently announced Government consultation on the changes to the solar PV feed-in-tariff arrangements has had an adverse impact on the proposed business cases and payback periods making most of the proposed installations to the sites financially unviable.

The council will continue with the proposed installation of PV solar panels at 3 of the council's main corporate administration buildings that are to be refurbished under the Workstyles Phase 2 transformation should they prove to be financially viable. The works are timetabled to commence within 2012/13 and are estimated to cost up to £0.25m. The remaining funding of £2.35m will not be required in 2011/12 and the remaining sites will be assessed following the outcome of the government's review of the feed-in-tariff, with future potential funding being incorporated into the capital programme if required.

With respect to the school sites, it is proposed that the feedback from the government consultation on the proposed changes is considered before the revised business plans, payback periods and funding options for each school that has expressed an interest in the scheme can be reviewed.

Each set of panels will generate green electricity for the sites they are installed upon. The overall effect of this will be a reduction in the carbon footprint for the Council. Additional benefits will include a reduction in Carbon Reduction Commitment payments due to the reduced carbon emissions that the solar panels will contribute to.

## Variations

### Resources – HR Organisational Development

#### Human Resources System (£0.398m)

Due to the reductions in non-school recruitment we are rescheduling the development work on the recruitment interface and re-prioritising other parts of the project that aren't incurring significant expenditure but will deliver business benefits.

### Resources – Communications

#### Relocation of Print & Sign Unit £0.026m

The project is evaluating various accommodation options to house the print and sign unit away from the current location at Hollingdean Depot due to health and safety concerns. The building has been temporarily propped to mitigate risk, but the service requires relocation. It has taken longer than originally planned to find a suitable property and it is requested to increase the budget to cover the extra cost of £0.026m which will be used in 2012/13.

### Resources – Property

#### DDA Access Works (£0.065m)

The Bartholomew House accessible fire evacuation lift project will be in progress at year end and completed early in 2012/13. The programme also originally included other improvement works within Bartholomew House that have been postponed to tie-in with planned dates for the next phase of accommodation strategy works in January 2013.

#### New England House (£0.050m)

Concrete repairs are being undertaken at New England House within phases. The second phase was successfully completed in 2011-12. Timing due to the possible onset of cold winter weather coupled to insufficient budget within 2011/12 to progress the next phase leads to requesting this £50k re-profile. Further funding is being recommended for inclusion in next year's planned maintenance programme to deliver the next phase of concrete repairs.

### Variations under £0.050m

Re-profiles are requested for Planned Maintenance of Farmland (£0.014m), Farming Diversification (£0.017m), Kensington Street (£0.019m), Brighton Town Hall Fire Evacuation Lift (£0.027m), Portslade Town Hall (£0.030m) and Corporate fire risk Assessments (£0.010m),

## Slippage

### Resources - ICT

#### IT Communications (£0.030m)

Following an upgrade to the core voice and communications platform in late January 2012, which is part of a long term planned migration to a flexible and integrated IP telephony and communications platform, new features and functionality that are supplied with the upgrade and that can deliver benefits in the short term will be

introduced in the first tranche of service change. In order to obtain the best possible business benefit and longer term savings from the remaining investment, £30,000 will be held over to 2012/13 so that the findings and recommendations of the current Telephony Review taking place within the Improving Customer Experience (ICE) programme can be incorporated into subsequent phases of implementation.

### **Information Management (£0.089m)**

This is due to delays in reviewing the procurement and specification of services to support customer access initiatives and resourcing conflicts with other projects. The migration of the Planning system is taking longer than estimated due to delays with the data transfer and the payments to the Supplier are staged according to delivery targets so the final payment will be delayed. The contract for the temporary ICT Consultant runs until June 2012 so a proportion of these costs will need to slip into next year.

### **Resources – Communications**

#### **Relocation of Print & Sign unit**

It has taken longer than originally planned to find a suitable property and therefore the budget of £0.206m needs to be re-profiled into 2012/13. This includes the budget increase of £0.026m referred to in the variations section.

## Corporate Budgets - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
60	Bulk Insurance Premia	3,009	3,109	100	3.3%
(380)	Concessionary Fares	9,660	9,280	(380)	-3.9%
155	Capital Financing Costs	10,427	10,582	155	1.5%
0	Levies & Precepts	166	166	0	0.0%
1,490	Corporate VFM Savings	(1,625)	(203)	1,422	87.5%
(1,455)	Risk Provisions	3,813	2,067	(1,746)	-45.8%
30	Other Corporate Items	(28,434)	(28,406)	28	0.1%
(100)	Total Revenue - Corporate Budgets	(2,984)	(3,405)	(421)	14.1%

## Explanation of Key Variances

**Bulk Insurance Premia**

The forecast overspend has increased by £0.040m to £0.100m. This is due to an increased number of liability claims.

**Concessionary Fares**

The forecast underspend remains at £0.380m. This mainly relates to fixed deal agreements with Brighton & Hove Bus & Coach Company and Stagecoach South, agreed by Cabinet on 9th June, being lower than the budget provision.

**Capital Financing Costs**

The overall overspend remains at £0.155m. It is due mainly to a lower than projected recharge to the Housing Revenue Account for interest on borrowings. HRA borrowing in 2010/11 was some £6.000m lower than projected and coupled with short-term interest rates remaining lower than projected at the time of the 2011/12 budget, has resulted in a reduction in the recharge.

**Levies & Precepts**

The forecast for Month 9 is a break-even position.

**Corporate VFM Projects**

A number of VFM projects relate to council-wide projects which will deliver savings across many, if not all, service areas. The associated savings target is shown under Corporate Budgets and is awaiting allocation to individual service budgets as and when savings are identified and/or confirmed. If all savings are identified and achieved, the Corporate VFM Projects savings target above will reduce to zero by the end of the financial year. At month 9, monitoring of VFM projects indicates that approximately £1.422m of corporately held VFM project savings remains uncertain as follows:

- The implementation of other initiatives including Workstyles, Customer Service changes (mainly on-line developments) and many other service changes (e.g. some emanating from other Value for Money projects) have meant that the capacity to undertake Systems Thinking reviews at the same time has been severely hampered. The reviews are therefore behind schedule and will need to be carefully prioritised on those services that are in a position to take them forward effectively with full commitment. It is now expected that these reviews will be used to 'enable' services to deliver efficiency and other related savings in 2012/13 and 2013/14. For example, a review in Human Resources is currently at the planning stage.
- The achievement of the Management & Administration savings has been underpinned by a Voluntary Severance Scheme (VSS) which is now closed for the purposes of this saving. The outcome of the Scheme, in financial terms, indicates that approximately £1.142m has been achieved, an improvement of £0.182m on Month 7, and £0.608m is uncertain at present. This is broadly in line with expectations as the VSS was not expected to achieve 100% of the savings required (£1.750m in 2011/12). As set out in the Revenue Budget report to Full Council in March 2011, some savings will need to come from 'natural turnover' over the remainder of the financial year and there may also be a need for further redesign in some service areas to accommodate the impact of staff released through the scheme. The main challenge now is to ensure that where people have been released but the post retained in the service structure, these are filled through redeployments across the council wherever possible. Full-year savings in 2012/13 are subject to confirmation and further actions described above but currently stand at circa £2.500m against a revised target of £3.500m.
- Carbon Reduction initiatives will be designed to reduce energy use and therefore reduce future energy cost pressures as prices increase. A scheme to pursue the installation of Solar PV panels was agreed at Cabinet in June 2011, however, the anticipated cash savings may not now be realised due to changes to the Feed-in Tariff regime. Other initiatives are also being pursued but it is unlikely that cashable savings will now accrue in 2011/12 and the focus of the programme is therefore on reducing future energy usage and the council's carbon footprint. This links strongly to the Workstyles project and the reduction in accommodation use associated with that initiative.
- The Procurement project has identified an increased risk resulting partly from a reduction in overall procurement activity in corporate areas due to spending constraints which has reduced potential savings opportunities compared with previous years. £0.236m remains uncertain this year against corporate contract areas, however, additional procurement savings of £0.277m have been facilitated across front-line service areas which are reflected in the improved overall TBM position at Month 9.

### **Risk Provisions**

The overall position on Risk Provisions is an underspend of £1.746m.

There are one-off risk provisions of £0.800m and it is forecast that these will be fully spent. It is anticipated that circa £0.192m of this will be needed for the preparatory works for the Prince Regent and Withdean Sports Complex schemes subject to further planning confidence and the viability of the business cases once all the details are known. The remainder will be required for one-off costs associated with Criminal Records Bureau (CRB) compliance following OFSTED inspection, costs associated with compliance with

Microsoft licence requirements following an audit process, and additional costs associated with the Carbon Reduction Commitment (CRC) scheme implementation.

There is a permanent risk provision of £0.750m relating to grants ending and this will not be required in the current financial year. It is therefore being released to support the overall position.

There is £1.250m of permanent risk provision, of which £0.625m is being released to support the overall position. Of the remainder £0.625m is being used on a one-off basis to offset the shortfall in the Advertising and Sponsorship contract income target (£0.250m) the VfM Phase 3 Stretch target (£0.250m) and VfM Management & Administration savings (£0.125m).

In addition, there is £0.400m of one-off risk provision for children's and adults services which is now not required and will be transferred to general reserves.

An underspend of £0.300m is forecast on the financing costs for the new Historic Records Centre. The budget projections assumed the majority of the capital funding would be needed this financial year and as this expenditure is funded from borrowing the financing costs were set aside in contingency. East Sussex County Council (ESCC) have now provided a cashflow schedule and agreed with Brighton & Hove a payment schedule which gives a far lower capital contribution this year and therefore lower financing costs. The cashflow from ESCC is subject to change but experience shows that expenditure is generally lower than projected.

There is an underspend of £0.071m on general contingency, largely as a result of unneeded grant pressure funding of £0.075m being identified.

### NHS Trust Managed S75 Budgets - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
48	NHS Trust managed S75 Services	14,168	14,031	(137)	-1.0%
48	Total S75	14,168	14,031	(137)	-1.0%

### Explanation of Key Variances

(Note WTE = Whole Time Equivalent)

#### S75 NHS Trust Managed Budget (£0.137m underspend)

The forecast underspend of £0.067m against Sussex Partnership NHS Foundation Trust, represents an improvement of approximately £0.100m from Month 7. This is largely as a result of a review of all mainstream budget areas and an increase in the level of Continuing Health Care funding. There remains a pressure of £0.296m on the Mental Health Community Care budget, where WTE client numbers are approximately 20 more than budgeted. Savings of £0.362m have also been identified against the mainstream budget from vacancy management and a review of social care input into Access Services.

A financial recovery plan was developed to which has succeeded in reducing the pressure, particularly against long-term placement spend and a project is underway to review the high-cost placements.

Sussex Community NHS Trust are forecasting an underspend of £0.070m, which is an improvement of £0.070m from Month 7. Positive action has been taken to both reduce costs within Intermediate Care and review the projected spend on equipment within the Integrated Community Equipment Store (ICES). The current forecast shows staffing pressures within Intermediate Care service (£0.054m) and pressures on the equipment budget within ICES (net £0.031m pressure) due to increased demand. These have been offset by savings of £0.155m against the HIV budget.



## Housing Revenue Account - Revenue Budget Summary

Forecast Variance Month 7 £'000		2011/12 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
	<b>Housing Revenue Account</b>				
(371)	Employees	9,187	8,724	(463)	-5.0%
(71)	Premises – Repair	11,031	10,723	(308)	-2.8%
49	Premises – Other	3,070	3,115	45	1.5%
(129)	Transport & Supplies	2,022	1,838	(184)	-9.1%
(7)	Support Services	2,210	2,201	(9)	-0.4%
-	Third Party Payments	54	57	3	5.6%
-	Revenue contribution to capital	3,778	3,778	-	0.0%
(123)	Capital Financing Costs	4,268	4,145	(123)	-2.9%
14	Subsidy Payable	14,710	14,724	14	0.1%
(638)	Net Expenditure	50,330	49,305	(1,025)	-2.0%
(9)	Dwelling Rents (net)	(44,213)	(44,176)	37	0.1%
35	Other rent	(1,240)	(1,205)	35	2.8%
47	Service Charges	(3,354)	(3,302)	52	1.6%
(19)	Supporting People	(465)	(484)	(19)	-4.1%
24	Other recharges & interest	(1,058)	(1,027)	31	2.9%
78	Net Income	(50,330)	(50,194)	136	0.3%
<b>(560)</b>	<b>Total</b>	<b>-</b>	<b>(889)</b>	<b>(889)</b>	

## Explanation of Key Variances

The forecast outturn for 2011/12 is an underspend of £0.889m, compared to a forecast underspend of £0.560m at Month 7. The commissioning framework for the Housing Revenue Account aims to reduce costs to enable reinvestment in services which tackle inequality and improve homes and neighbourhoods. Further analysis of the forecast outturn variances are as follows:

- The employees budget is forecast to underspend by £0.463m compared to an underspend of £0.371m at month 7. This is mainly due to underspends on vacancies and pensions costs throughout housing management due the pending restructure of Housing and Social Inclusion together with TUPE costs no longer required. The budget for TUPE costs (£0.227m) for Property & Investment staff is no longer required as the final costs were less than originally forecast and fully paid in the last financial year.
- The Premises Repairs forecast is an underspend of £0.308m compared to a month 7 forecast underspend of £0.071m. The underspend includes the following significant variances:

- A projected saving on the gas servicing and maintenance contract of £0.216m from the rebasing of the open book contract value following the achievement of savings during the last financial year.
- A reduction in the overhead costs for the Repairs Partnership contract of £0.059m resulting from efficiencies in the contract.
- A reduction in the costs of repairs to empty properties by £0.200m due to a reduction in the number of empty properties coming through the lettings cycle.
- A projected overspend on responsive repairs of £0.123m which is now mainly due to works that were undertaken in last financial year but have been charged to this financial year. The forecast has reduced since month 7 by £0.127m due to a reduction in the average unit cost of repairs and the continued good weather.
- The Premises-other budget is forecast to overspend by £0.045m compared to an overspend of £0.049m at month 7. This variance relates to the following:
  - A recent review by the Council's insurance team has identified a £0.329m recharge to the HRA in relation to the costs of repairing homes damaged by fire, flood etc. below the insurance excess of £25,000. In recent years the number of cases of damage to dwellings has increased which has prompted the Council's insurance team to review how they charge the HRA. This recharge relates to costs borne over the last three years which were in excess of the budget. Provision (estimated at £0.120m) will be made for the additional on-going costs in the 2012/13 budget strategy.
  - A forecast underspend of £0.175m in relation to the accruals for gas and electricity. Prudent accruals were made in the last financial year which are no longer required under the new contractual arrangements.
  - A further underspend of £0.074m is forecast on the rental cost and business rates of the Housing Centre due to it opening later than anticipated at budget setting time.
- Transport & Supplies is forecast to underspend by £0.184m compared to a forecast underspend of £0.129m at month 7. This variance relates to a reduction in the requirement for the provision for bad debt (£0.100m) resulting from the improvement in the collection of rent which has led to a reduction in the rent arrears total. There is also an underspend on professional and consultancy fees anticipated for the procurement of the new service contracts as the work has been carried out in-house.

- Capital Financing forecast costs have reduced by £0.123m due to reduced forecasts for repayment of debt compared to the original budget. The reduced interest rates also reduce the amount of subsidy allowance for capital finance costs resulting in an increased subsidy payable to the Government of £0.014m.
- Income is forecast to be less than budgeted by £0.136m due to a number of minor variances including:
  - Reduced rental income from garages and car parks (£0.035m) due to an increase in the level of empty garages/spaces in the current economic downturn.
  - charges from leaseholders (£0.031m) being lower than expected at budget setting time.



## SUMMARY CAPITAL OUTTURN POSITION AS AT MONTH 9

	2011/12 Approved Budget £'000	2011/12 Reported to Other Cabinets £'000	2011/12 New Schemes £'000	2011/12 Variations £'000	2011/12 Slippage £'000	2011/12 Budget £'000	2011/12 Outturn £'000	2011/12 Over / Underspend
People	30,677	0	40	(2,929)	0	27,788	27,788	0
Place	47,058	0	675	(1,221)	(244)	46,268	45,134	(1,134)
Communities	3,332	0	0	259	(234)	3,357	3,667	310
Resources & Finance	8,830	0	0	(3,203)	(325)	5,302	5,152	(150)
<b>Total Capital</b>	<b>89,897</b>	<b>0</b>	<b>715</b>	<b>(7,094)</b>	<b>(803)</b>	<b>82,715</b>	<b>81,741</b>	<b>(974)</b>



## Appendix 3

### Value for Money Programme: Benefits Realisation as at Month 9

Projects	Target £m	Achieved £m	Anticipated £m	Uncertain £m
<b>VFM Phase 2 Projects</b>				
Adult Social Care	1.801	0.729	0.822	0.250
Children's Services	2.019	2.019	0.000	0.000
ICT	0.218	0.140	0.000	0.078
Procurement	0.789	0.524	0.029	0.236
Fleet Management	0.150	0.150	0.000	0.000
Sustainable Transport	0.115	0.115	0.000	0.000
Outdoor Events	0.060	0.010	0.025	0.025
Workstyles	0.100	0.100	0.000	0.000
<b>Total VFM Phase 2</b>	<b>5.252</b>	<b>3.787</b>	<b>0.876</b>	<b>0.589</b>
<b>VFM Phase 3 Projects</b>				
	<b>Target £m</b>	<b>Achieved £m</b>	<b>Anticipated £m</b>	<b>Uncertain £m</b>
Process Efficiencies	0.250	0.000	0.000	0.250
Management Structures	1.150	0.794	0.000	0.356
Admin & Business Support	0.600	0.349	0.000	0.251
Consolidation of Spend	0.250	0.250	0.000	0.000
Carbon Reduction Initiatives	0.250	0.000	0.000	0.250
<b>Total VFM Phase 3</b>	<b>2.500</b>	<b>1.392</b>	<b>0.000</b>	<b>1.108</b>
<b>Total All VFM Projects</b>	<b>7.752</b>	<b>5.179</b>	<b>0.876</b>	<b>1.697</b>





Service Commissions						
Quarter	Commission	Lead Commissioner	A description of the Commission - its aims	Commissioning Stage	Progress	Commissioning Strategy Completion Q/Yr *
<b>Tackling Inequality</b>						
Ongoing 2009/10	Personalisation of adult social care (Value for Money programme commenced 2009/10).	Denise D'Souza	To implement policy on personalisation and transformation of Adult Social Care. Moving to more individual budgets and developing the market through a range of mechanisms to meet assessed needs in more personalised ways (e.g. personal assistance notice board and support unit confidence).	Implementation	Ongoing changes in delivery of Adult Social Care Services through the use of technology and personalised services. Implementation of a range of changes to current contracts and market development e.g. Embrace (Community Support); Support with Confidence. Some change and new arrangements in place e.g. Support with Confidence. Embrace in development phase with third sector. Care home contracts being developed in 2012/13.	Q2/2012-13 but will be ongoing as new vision for social care is published in the spring.
Q3/2011-12	Transitions from children's to adult services.	Denise D'Souza	Current systems for transitions being reviewed, to include scope and processes for supporting children and parents and then to look at commissioning services for 16-25 year olds.	Scoping	Transition from children's to adult services for children with a disability/special educational need. Some adhoc work started and brought into commissioning process. There is a dependency with the commissioning strategy on Children with a Disability SE7.	Q1/2012-13
Q3/2011-12	Extra care housing for adults/older people.	Denise D'Souza	To provide additional housing options in the city other than residential care.	Commissioning Strategy	The extra care commissioning strategy has been prepared in draft and the work on options/commissioning plan is in progress.	Q4/2012
Q1/2011-12	Homecare commissioning.	Denise D'Souza	To recommission the homecare contract in geographical areas.	Commissioning Strategy	Expressions of interest have been received and are being evaluated. Contracts are to be in place across the city by June 2012.	Q1/2012
Q2/2011-12	Community meals.	Denise D'Souza	Current contract ending and the need to look at more personalised services and local options.	Scoping	The commissioning group is in place and will progress when the scrutiny report is completed.	Q3/2012
Q2/2011-12	Learning Disability accommodation support plan.	Denise D'Souza	To ensure sufficient and suitable capacity to meet the needs of current and future service users.	Implementation	Scope and needs analysis complete. High level plan agreed. Next step is to consult on local implementation plan.	Completed
Q2/2011-12	Able and Willing (Castleham - supported employment).	Denise D'Souza	Current service is not financially viable and business options are being explored.	Commissioning Strategy	Business case produced and under review.	Q4/2011
Q2/2011-12	Dementia commissioning plan.	Denise D'Souza, Joanne Mathew	To work with NHS commissioners to develop a joint plan that covers both early diagnosis and ongoing support.	Commissioning Strategy	Joint plan and commissioning strategy being developed with NHS. Linked to national guidance.	Q2/2012-13
On-going	Short-term service review - joint commissioning with NHS.	Denise D'Souza, Wendy Young	To define the capacity including intermediate care beds and short term beds in the city across health and social care and the community service to support prevention into hospital, timely discharge and treatment at home.	Implementation	The report and options is to be presented at the Joint Commissioning Board for approval at the end of January 2012.	Completed
Q1/2011-12	Framework agreement for people with learning development and complex needs. To develop a list of providers who can support adults with learning disabilities who have complex needs.	Diana Bernhardt	To have a number of accredited providers to support people with learning development and complex needs.	Review	This work has been completed and will be reviewed in 2012.	Completed
Q1/2011-12	Autism commissioning plan.	Denise D'Souza	To identify and agreed needs in the city for those with autism, including low level support and training.	Implementation	Agreed by Joint Commissioning Board in November 2011. Implementation has begun.	Q3/2011
Q3/2011-12	Self-directed support brokerage and payroll scheme to support those who choose to have a direct payment.	Denise D'Souza, Diana Bernhardt	Original tender changed in light of new needs to have a provider to offers support and direct payments.	Commissioning Strategy	The re-tender for this service is about to commence.	Q4/2011-12

Service Commissions						
Quarter	Commission	Lead Commissioner	A description of the Commission - its aims	Commissioning Stage	Progress	Commissioning Strategy Completion Q/Yr *
Q3/2011-12	Respite care - policy to inform provision required.	Denise D'Souza, Jane McDonald	Policy on respite care being developed to inform the commissioning plan.	Commissioning Strategy	The commission strategy will be presented at the Joint Commissioning Board and Cabinet Member Meeting at end-January 2012.	Q4/2011
Q3/2011-12	Supported living strategy (Adult Social Care).	Denise D'Souza, Jane McDonald	Exploring option due to limited accommodation in the city and residential care not always being the best option.	Scoping	Model (e.g. kinship, Homeshare) currently being explored and beginning to inform future strategy and commissioning plans.	Q3/2012-13
Q4/2012-13	Daily living equipment.	Denise D'Souza	To look at future models and delivery of equipment in the city.	Scoping	None to date.	Q2/2013-14
Q1/2012-13	Carers support contract.	Denise D'Souza	To look at a range of services that offer carers relief in the city.	Scoping	Some preparatory work to commissioners post April 2012 has been completed.	Q3/2012-13
Q1/2011-12	Services for children and young people with a disability/complex needs.	Steve Barton, Alison Nuttall	The Children's Disability Commissioning Strategy was co-produced with parents and the Community Voluntary Sector. Agreed by the Cabinet Member in November 2010, it sets a medium term transformation programme which is overseen by a stakeholder Partnership Board.	Implementation	The responsible commissioner has re-focused the strategy to priorities the introduction of the personalisation agenda for children and families which will transform outreach, respite and short break provision. A detailed implementation plan is in place and update reports scheduled for the Cabinet Member Meeting in February 2012. Specific issues are being taken forward with the Clinical Commissioning Group as part of developing their 2012/13 Annual Operating Plan, including improvement to children's equipment/wheelchair provision.	Q4/2012-13
Q1/2011-12	Child and Adolescent Mental Health Services.	Steve Barton, Alison Nuttall	Under the S75 Agreement the council commissions community based services (Tiers 1&2) and works collaboratively with NHS commissioners for Sussex in respect of specialist/in-patient treatment services (Tiers 3 &4). The aim of this commission, set out in the S75 Agreement annual improvement plan, is to improve the accessibility of referral systems and pathways.	Implementation	Review/redesign of: assessment/treatment/Improving Access to Psychological Therapies (IAPT); A&E pathway (self harm); tier 2&3 services including pathways for young people with specialist needs.	Q4/2011-12
Q1/2011-12	Specialist services for vulnerable young people.	Steve Barton, Kerry Clarke	Under the S75 Agreement the council is responsible for commissioning services in respect of Teenage Pregnancy/Parenting substance misuse prevention and treatment services for young people and youth crime and anti social behaviour services.	Commissioning Strategy	Implementation of the Teenage Pregnancy Action Plan & Young People's Substance Misuse Treatment Plan are ongoing and monitored by the S75 Joint Commissioning/Management Group and the Safe in the City Partnership. A scoping exercise is underway to initiate a review of youth crime prevention services. Specialist services for vulnerable young people are integral to the overarching Services for Young People Joint Commissioning Strategy (see completed City Wide Commissions).	Q4/2012-13
Q1/2011-12	Improving health visiting and early years support.	Steve Barton, Anita Finlay	To take forward the national Health Visitor Implementation Plan, enhancing delivery of the Healthy Child Programme, strengthening the relationship between General Practice and Sure Start Children's Centers and addressing implications of the commitment to increase Health Visitor provision without ring fenced NHS funding and considering opportunities presented by the Family Nurse Partnership Programme.	Implementation	Health Visitor Implementation Group established involving commissioning, delivery unit and local/regional stakeholders. Initial change proposals developed and negotiations with local health economy to implement pilot projects/user consultation.	Q3/2012-13

Service Commissions						
Quarter	Commission	Lead Commissioner	A description of the Commission - its aims	Commissioning Stage	Progress	Commissioning Strategy Completion Q/Yr *
Q1/2012-13	Early intervention and social work/social care for children who are in need at risk or looked after	Steve Barton/Rima Desai and Ellen Jones/Jane Doherty	Review and recommissioning building on the children's services VFM programme that has focussed on outcomes/costs for children in need, at risk or who are looked after by the council.	Implementation	Preventive services: completed review Early Intervention Grant, commissioned new services e.g. Early Permanence, introduction of Costed Menu of Effective Interventions and supporting Families in Multiple Disadvantage Assessment, intervention and care: LAC Commissioning Strategy agreed; spend to save expansion of in house provision for expert child protection assessments and fostering placements	2012/13 Q4
Q1/2011-12	Improving care pathways for paediatric long term conditions.	Steve Barton, Anita Finlay, Alison Nuttall	To reduce unplanned hospital admissions by strengthening care in the community and school settings to manage conditions such as asthma and diabetes, epilepsy and chronic fatigue syndrome and reviewing the links between hospital based community nursing teams and community child health services.	Implementation	Task group of commissioners, clinicians and service users completed work and recommendations implemented.	Q3/2011-12
Q4/2011-12	Supported housing options for young people aged 16 - 25 years.	Steve Barton, Sue Boiling	To work with relevant stakeholders to expand the range of independent and semi-independent living placements for all young people in care post 16 years.	Needs Analysis	Work underway to: work with key stakeholders to define need and analyse current provision in a value for money framework; establish pathway plan with clear expectation for young people aged 16 plus to move from intensive residential placements to semi-independence provision as part of preparation for independence and; support market to develop a range of semi independent placement and independent living support options.	Q2/2112-13
Q4/2011-12	Agency residential and foster care placements.	Steve Barton, Sue Boiling	Complete review of the current arrangements for the commissioning and procurement of children's agency placements in conjunction with key stakeholders.	Implementation	Report and recommendations to implement a new procurement framework will be presented to Children's Cabinet Member Meeting on 20 January 2012 following joint work with local authorities about the relative benefits of further sub-regional procurement arrangements in relation to placements; analysis of how needs currently being met within a value for money framework; and consultation on recommendations in order to begin procurement exercise.	Q2/2012-13
Q4/2011-12	Services for children and families experiencing vulnerability with moderate levels of need including services such as domestic violence, youth counselling and support for young carers.	Steve Barton, Rima Desai	This issue was identified by Ofsted during their 'pilot' inspection to test a new inspection framework for safeguarding and child protection services. The service commission will build on the work of the children's services Value for Money programme and the improvement plans that support the Section 75 Agreements between the council and the local health economy.	Scoping	The review has just been initiated and initial scoping meeting are about to be convened and key dependencies identified with other reviews such as the City Wide Commission for Families in Multiple Disadvantage.	Q2/2012-13

Service Commissions						
Quarter	Commission	Lead Commissioner	A description of the Commission - its aims	Commissioning Stage	Progress	Commissioning Strategy Completion Q/Yr *
Q1/2011-12	Special Educational Needs provision and placements.	Jo Lyons	Review and re-commissioning of all special provision including placements. This includes re-commissioning of special schools and resource based provision. The aim is to achieve better outcomes for children with Special Educational Needs and greater value for money. It includes reviewing and improving service level agreements and commissioning contracts. The aim, where appropriate, is to transfer resources and responsibility for delivery and management to schools with local authority monitoring and quality assurance.	Implementation	Strategy developed and in place. Annual commissioning system in place. Partnership Board working. 1.5 million savings made and reinvested in early intervention. Greater Value For Money in Special schools and SEN provision. Less children in high cost placements and special provision (less transferring to adult services with expectation of special/additional resources).	Annual Cycle
Q4 2011	Special Educational Needs SE7 regional Pathfinder - successfully meeting the needs of children and young people with Special Educational Needs.	Jo Lyons	The city council is a pathfinder testing the impact of national changes to the way that children and young people with a special education need are supported at school. The changes aim to provide a more comprehensive service that effectively and efficiently meets the needs of children with a SEN and a disability. The outcomes will lead to improved and more efficient SEN systems, managed in partnership.	Implementation	Partnership steering group established and project manager in place. Funding received from Department for Education to deliver change board with all key partners set up.	2014
Q1/2011-12	Home to School transport.	Jo Lyons	Improved commissioning of provision and review of all contracts to achieve greater value for money. Improved allocation of resources. Greater independent travel.	Review	Annual commissioning system in place. Review of all contracts complete. New policy and criteria for allocation of resources being followed. Significant savings made.	Annual Cycle
Q4/2011-12	Traveller Education.	Jo Lyons	Review of service commissioned from East Sussex. In response to changes that East Sussex are making and greater need locally, there is a need to look at how to provide and deliver education for traveller children in Brighton & Hove.	Needs Analysis	Scope developed and needs analysis beginning.	Q2/2012-13
Q4/2011-12	Re-commissioning Children & Young Peoples Language and Learning Support Service.	Jo Lyons	Review and re-commissioning of literacy and language support service. Aim to provide a better and more focussed early intervention service with greater value for money. With schools taking more responsibility and ownership for management, leadership and delivery and the local authority commissioning, monitoring and providing quality assurance.	Needs Analysis	The scope is developed and needs analysis is taking place. Partners are working together and options are being explored.	Q2/2012-13

Service Commissions						
Quarter	Commission	Lead Commissioner	A description of the Commission - its aims	Commissioning Stage	Progress	Commissioning Strategy Completion Q/Yr *
Q4/2011-12	Re-commissioning of Ethnic Minority Achievement Service (EMAS) for school age children and young people.	Jo Lyons	Review and re-commissioning of Ethnic Minority Achievement Service. Aim to provide a better and more focussed early intervention service with greater value for money. With schools taking more responsibility and ownership for management, leadership and delivery and the local authority commissioning, monitoring and providing quality assurance.	Needs Analysis	The scope is developed and needs analysis is taking place. Partners are working together and options are being explored	Q2/2012-13
Q1/2011-12	Provision for young people with behaviour, emotional and social difficulties (BESD).	Jo Lyons	Re-commissioning of all BESD provision for young people across the city. The aim is to achieve better outcomes and value for money with the service owned by the partnership.	Implementation	Executive Board in place and review complete. Re-commissioning recommendations agreed and implementation underway.	2013
Q1/2011-12	School Organisation - Commissioning of school places and options for new school provision.	Jo Lyons	Commission sufficient school places for school aged children across the city.	Implementation	Needs and options identified. School Organisation Plan developed for consultation.	2012/ongoing
Q4/2011-12	Music service review and re-commission.	Jo Lyons	Review/re-commission to look at options to future-proof service. Developing a partnership approach/ Hub to delivery with a greater focus and access for most vulnerable in the service on closing the gap agenda. Bid/tender to be provided via Arts council to receive grant.	Implementation	Partnership/ Hub set up and links made, research complete. Bid to be submitted Feb 2012. Early work on option for models of service delivery being developed.	2012/13
Q4/2011-12	Re-commissioning of Preschool Special Education Needs Service.	Jo Lyons	Re-commissioning of the service. Aim to secure service into future with schools taking greater responsibility and ownership for management and leadership and for delivery with LA commissioning monitoring and providing quality assurance will achieve greater value for money and continued outstanding provision and support for EYS children with SEN.	Scoping	To start in January 2012.	Q2/2012-13
Q3/2011-12	Commissioning work to support raising of participation age.	Jo Lyons	Locally Led Delivery Project: this is the national project in which we are one of 35 local authorities taking part, and one of nine that joined the project for this third phase. Aim to ensure Local Authority fully prepared for implementation of raising participation age.	Implementation	Steering in place. Strategic overview complete. Bid for funding submitted to Department for Education. Vulnerable learners cross agency network in place, developing vulnerable learners protocol.	Sept 2013 (16yrOlds) Sept 2015 (17yrOlds)
Q3/2011-12	Connected School Sixth.	Jo Lyons	Commissioning project to address sixth form standards in the West of the City.	Implementation	Joint prospectus for 2012/13 agreed and issued. Project group in place. Developing protocol for quality assurance and partnership arrangements	Q2/2013-14
Q2/2011-12	Narrowing the gap in education.	Jo Lyons	Aim to narrow the gap in education performance across the city.	Scoping	Scoping complete and needs analysis taking place.	Q2/2012-13 (ongoing)



Service Commissions						
Quarter	Commission	Lead Commissioner	A description of the Commission - its aims	Commissioning Stage	Progress	Commissioning Strategy Completion Q/Yr *
Q1/2011-12	Public Sector Home Energy Efficiency.	Jugal Sharma	Improving housing quality in council homes (rented and leasehold) and working in partnership with other public sector landlords to: improve the quality of housing; energy performance; reducing fuel poverty; minimise CO2 emissions; identify new investment opportunities (including PVs).	Implementation	Options appraisal and business plan led to September 2011 Cabinet approval of Housing Revenue Account borrowing. Options currently under review following Government announcement of early Feed-In Tariff review consultation.	Q4/2011-12
Q3/4/2011-12	Private Sector Home Energy Efficiency.	Jugal Sharma	Working with private sector partners to bring forward home energy efficiency improvements and investment opportunities including the potential move to Green Deal and Energy Company Obligation Service Providers. The service commission addresses: the end of existing assistance programme; identify emerging investment (inc. energy companies, Community Energy Savings Programme, Feed-in Tariff, Renewable Heat Incentive); and, prepares for the introduction of Green Deal and Energy Company Obligation.	Commissioning Strategy	Commission subject to availability of private sector housing renewal capital funding beyond 2011/12. Currently appraising a range of Green Deal Energy Company Obligation options pending finalising of scheme arrangements.	Q4/2011-12
Q3/4/2011-12	Student Housing Strategy (outcomes including Joint Head leasing scheme with Universities).	Jugal Sharma	Strategic Housing Partnership commissioned Student Housing Strategy: Multi-disciplinary approach to Anti-Social Behaviour. Proposals for additional licensing of Houses in Multiple Occupation (HMOs); Joint local authority & Universities head leasing schemes-social lettings agency; Article 4 Planning direction; New Purpose Built Student Housing.	Implementation	Joint head leasing underway. Joint procurement framework being finalised. Planning options consultation underway on Student Housing, including Article 4 and new purpose built student housing. Reviewing additional licensing proposals.	Q4 to continue to 12-13
Q1/2/2011-12	Decent affordable homes.	Jugal Sharma	Working with Council landlord and Brighton & Hove Seaside Community Homes to improve the quatum and quality of affordable homes including: developing the Brighton & Hove Standard for high quality and well maintained council housing; improving tenants homes to ensure that they meet the standard. Commission £27m investment to assist in meeting Decent Homes investment priority via leasing up to 499 homes to Brighton & Hove Seaside Community Homes.	Implementation	Brighton & Hove Seaside Community Homes finding and contractual agreements signed, first of 499 homes leased, first capital receipt received. Empty homes initiative announced. HRA capital programme drafted for approval.	Q4/2011-12
Q3/4/2011-12	Review private sector housing renewal investment and assistance: Home Energy efficiency; Decent Homes; Disabled Facilities Grant and Assistance; Empty Homes and; Home Improvement Loans.	Jugal Sharma	Improving housing quality: identify capital funding options to support private sector housing renewal; work with homeowners and landlords to improve the quality of their housing; reduce fuel poverty and CO2 emissions; bring more of the city's long term empty homes back into use. Commission: city-wide integrated Housing Adaptations service; Joint Improving Housing Improving Health GP referral initiative; Community Finance Initiative.	Commissioning Strategy	Cabinet Member Meeting paper, review and future funding contingent upon capital programme beyond 2011/12. Current programme in relation to most assistance is suspended to enable remaining budget to meet existing commitments.	Q4/2011-12

Service Commissions						
Quarter	Commission	Lead Commissioner	A description of the Commission - its aims	Commissioning Stage	Progress	Commissioning Strategy Completion Q/Yr *
Q3/2011-12	Temporary Accommodation - private sector leasing framework commissioning agreement for providers to deliver suitable leased accommodation.	Jugal Sharma	To procure large scale leasing pipeline for units of temporary accommodation, to meet City-wide housing need aligned to key Housing Commissioning priorities and Housing Strategy 2009-11. This will enable the procurement of a long term sustainable supply of temporary accommodation providing value for money.	Scoping	Outline agreement scoped with Procurement and Legal, in discussion with potential partners such as Universities & other landlords in the City.	Q4 to continue to 2012-13
Q3/4/2011-12	Commissioning joint procurement of Housing & Adult Social Care Adaptations Framework contract for major and minor adaptations.	Jugal Sharma	Enabling independent living through disabled housing adaptations and assistance, including discharge of corporate statutory Community Care Act duties for all tenures including the Council.	Implementation	Discussions underway and options being finalised for joint procurement of framework contract. Housing Cabinet report recommendations approved 18 January 2012	Q4 to continue to 2012-13
Q3/4/2011-12	Review commissioning arrangements and opportunities in relation to Home Improvement Agency.	Jugal Sharma	Supporting Home Improvement Agency to make best use of mandatory Disabled Facilities Grant. Review existing Home Improvement Agency provision and opportunities in light of existing contract term end and funding changes.	Needs Analysis	Strategic review in progress to develop co-ordinated services (with Housing Options/Access Point) that effectively assess adaptation needs. Contract extended to allow time for strategic review to inform future commissioning arrangements	Q4 to continue to 2012-13
Q4/2011-12	Agree a shared commissioning approach to integrated offender management.	David Murray	To draw together the Council, Police, prison and probation and other partners to build on work around offender management and reflect changes in need, service provision and budgets.	Scoping	Scoping session scheduled for end of February 2012.	Q4/2013
<b>Creating a more sustainable city</b>						
Q4/2011-12	A new approach to delivering heritage and museums.	David Murray	A review of the service area of Royal Pavilion and Museums building on the work delivered by the Independent Advisory Commission in 2011.	Needs Analysis	Following the outcome of key funding applications in January 2012, report to the relevant Cabinet Member Meeting or Committee to set out options analysis due Q1/2012-13.	Q1/2013-14
Q3/2011-12	A new approach to eco - tourism.	David Murray	Strategy and action plan for development of eco-tourism in Brighton and Hove to encompass national park, new tourism initiatives, in close collaboration with partners across the city and region.	Needs Analysis	Initial scoping with service staff undertaken, outline report to Cabinet Member Meeting in February 2012.	Q4/2011-12
Q3/2011-12	A new approach to the seafront.	David Murray	Development of strategy for the future development of the seafront based on data, evidence and consultation.	Needs Analysis	Initial scoping report taken to Scrutiny, workshop undertaken with Scrutiny Committee Members December 2011, wider consultation planned across service areas and with external partners.	Q2/2012-13
Q4/2011-12	Future of the Brighton Centre.	David Murray	An analysis of the viable development options for the Brighton Centre to deliver a flourishing conference and events programme.	Commissioning Strategy	Options analysis to Strategic Leadership Board March 2012 then linked to major projects work.	Q2/2012-13
Q4/2011-12	Development of the "markets" offer.	David Murray	Review of council practice in relation to support of markets.	Scoping	Scoping plans discussion with Cabinet Member March 2012	Q2/2012-13

Service Commissions						
Quarter	Commission	Lead Commissioner	A description of the Commission - its aims	Commissioning Stage	Progress	Commissioning Strategy Completion Q/Yr *
Q3/2011-12	Review current supported Public Transport network.	Mark Prior	City-Wide Review of council supported bus routes instigated by Cabinet Member Meeting to determine appropriate social and coherent network to support the economy and essential services in line with statutory obligations and £1.4M annual budget.	Commissioning strategy	Review and re-tendering exercise agreed at July 2011 Cabinet Member Meeting with new contracts due to commence September 2012. Current budget exercise and further long term strategy will determine final network design.	Q3/2012-13
Q3/2011-12	Long term maintenance of city infrastructure.	Mark Prior	To devise a 10 -15 year investment strategy to manage deterioration in the city's physical infrastructure including structures, highways, footways and other areas.	Commissioning strategy	Identified as an issue during the 2012/13 budget scrutiny. Initial discussions held with service lead.	Q4/2014/15
Q4/2011-12	Public Realm Improvement Strategy.	Mark Prior	To review the commissioning, funding, delivery and maintenance of public realm improvement projects.	Commissioning strategy	A review of the Public Space Public Life (PSPL) background policy document is in progress and an outline strategy prepared. On hold subject to further commissioning capacity being available.	Q4/2014-15
Q4/2011-12	Commercial Waste.	Mark Prior	Commitment within Corporate Plan to investigate Commercial Waste Collection.	Commissioning strategy	Waste and Minerals Plan approved for consultation. Implications for commercial waste company interest to be considered. Service commission lead to be agreed.	Q2/2013-14
Q4/2011-12	Communal recycling.	Mark Prior	Commitment within Corporate Plan to investigate Communal Recycling.	Commissioning strategy	Food and Waste Strategy Report at December 2012 Cabinet Meeting. Trials being developed. These service commissions are currently being taken forward by the delivery unit.	Q2/2012-13
Q1/2012-13	Surface Water Management Plan. (Following initiation and DEFRA approval in 2011-12).	Mark Prior	The Council has a new statutory duty as a Drainage and Flood Lead Authority to take forward and implement a Flood Risk Assessment and Action Plan over the next four years.	Implementation	Preliminary Flood Risk Assessment undertaken and submitted to DEFRA in Q2/2011-12. Report presented at Overview and Scrutiny in July 2011. Work currently underway in accordance with current obligations and Government timescales.	Programme to Q4/2014-15
Q1/2012	Coastal Protection and Management Plan.	Mark Prior	It is a statutory requirement under coastal legislation to have a coast protection strategy. The strategy will provide the basis of our coast protection plans and grant funding applications for the next 15 years. The work is led by the city council in partnership with Adur District Council.	Needs Analysis	The council has secured funding from the Department of Environment, Food and Rural Affairs (DEFRA) to develop the strategy in partnership with Adur District Council. The work will be developed through the Environment Agency Framework Contract and started in Q1/2012.	Q4/2013
<b>Engaging people that live and work in the city</b>						
Q3/2011-12	Community Development Commissioning.	David Murray	The commissioning of the third sector to support local people, targeting the most excluded, in neighbourhoods to improve their quality of life.	Commissioning Strategy	Scoping and needs analysis completed and draft strategy presented to Cabinet for sign off in December 2011. Commissioning of delivery begins April 2012 with 3 month rollover. New commissioning from July 2012.	Q1/2012-13
Q1/2011-12	Library Plan.	David Murray	Review of library services and development of 3 year plan for future operation.	Needs Analysis	Extensive systems thinking based consultation undertaken and reported back to Cabinet Member Meeting and Scrutiny Committee. Workshop for Scrutiny Members undertaken January 2012. Consultation planned for Q1 2012-13.	Q2/2012-13
Q4/2011-12	Sports and physical activity strategy.	David Murray	Review of sports and physical activity services in light of needs analysis.	Needs Analysis	Evaluation of current strategy, update needs analysis to be conducted with interim report to Cabinet Member Meeting in March 2012 prior to finalising of commissioning plan.	Q1/2012-13



Service Commissions						
Quarter	Commission	Lead Commissioner	A description of the Commission - its aims	Commissioning Stage	Progress	Commissioning Strategy Completion Q/Yr *
Q1/2011-12	Community and Voluntary Sector Forum annual commission.	David Murray	Annual process of evaluating and commissioning community development services.	Commissioning Strategy	Live commission under evaluation and re-commissioning due to start December 2011 for April 2012 delivery.	Q1/2012-13
Q2/2011-12	Healthwatch.	David Murray	Programme to engage the public in health and wellbeing issues.	Scoping	Steering group established to develop commissioning programme as of October 2012; primary role to engage public in health and wellbeing issues.	Q3/2012-13



<b>Subject:</b>	<b>The Council's Commissioning Work Plan</b>		
<b>Date of Meeting:</b>	<b>9 February 2012</b>		
<b>Report of:</b>	<b>The Chief Executive</b>		
<b>Lead Cabinet Member:</b>	<b>Bill Randall</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Mark Prior</b>	<b>Tel: 29-2095</b>
	<b>Email:</b>	Mark.prior@brighton-hove.gov.uk	
<b>Key Decision:</b>	<b>No</b>	<b>Forward Plan No:</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

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

- 1.1 The Commissioning Work Plan is a key vehicle for the delivery of the council's Corporate Plan and the city's Sustainable Community Strategy. It determines the city wide Commissions through which the council, partners, service users and stakeholders work together to re-shape local services. It provides the framework for internal Compacts between Lead Commissioners and Heads of Delivery Unit for the provision and performance management of council services; it also underpins grant funding and contractual arrangements with external agencies and providers.
- 1.2 The Commissioning Work Plan (Appendix 1) follows the report to the 13 December 2011 Overview and Scrutiny Committee that outlined progress towards using "intelligent commissioning" as the main instrument for delivering excellent public services to Brighton & Hove's communities, residents and visitors at optimum cost.
- 1.3 The Commissioning Work Plan aims to be transformational and includes:
  - city wide commissions: multi agency reviews led and project managed by the council to tackle cross cutting issues
  - service commissions: the on-going work of commissioners including resource allocation, service review, procurement, performance management and decision making to improve service outcomes (including Clinical Commissioning Group and Public Health).
- 1.4 The Commissioning Work Plan has been designed with the Strategic Leadership Board. Implementation and performance management of the Work Plan is the responsibility of the council's Lead Commissioners Group. It is a working document and will be updated and changed as the programme of work develops.

1.5 The Commissioning Work Plan documents only key commissions and not everything the council leads on or delivers. The council's other activities are managed through the authorities planning processes including Compacts and service Business Plans.

## **2. RECOMMENDATIONS:**

2.1 That the Cabinet agrees the Commissioning Work Plan (Appendix 1) and note the progress in taking forward commissions to deliver Corporate Plan priorities.

2.2 That the Cabinet agrees that the Commissioning Work Plan is taken to the Local Strategic Partnership and the Public Service Board to support joint working and the effective delivery of the plan.

2.3 That Cabinet notes that annual updates of the Work Plan will be brought to Cabinet or relevant committee and that Members will receive reports on individual commissions as relevant.

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

3.1 The council's Commissioning and Delivery structure was finalised on 1 November 2010 within the Organisational Change Framework of "A Council The City Deserves".

3.2 The lead commissioning group includes the Strategic Director and Lead Commissioner for Communities and the co-located Lead Commissioners Group comprising of:

- Lead Commissioner People
- Lead Commissioner Learning & Partnerships
- Lead Commissioner Housing
- Lead Commissioner City Regulation & Infrastructure
- Lead Commissioner Children, Youth & Families
- Lead Commissioner Public Health

3.3 Development of the Commissioning Work Programme itself reflects the new collaborative approach across the council's Corporate Management Team and with the commissioners of partner agencies. This new approach is driving innovation, improvement and value for money and is a key vehicle for the council's Corporate Plan and the city's Sustainable Community Strategy.

3.4 The principles of Intelligent Commissioning were set out in the April 2010 Cabinet report and the December 2011 OSC update report and are being applied to each of the commissions outlined in the work plan. Each commission requires a different approach and the principles are therefore applied differently and as appropriate. Learning is being applied from the Intelligent Commission pilots to guide this process. The principles can be summarised as:

- Gathering and using evidence (facts and figures) to gain a better, more rounded understanding of the needs of the city and our residents.
- Ensuring innovation and joined up design through engaging partners, experts and citizens in new and more effective ways.

- Providing best value and return on investment within constrained budgets by fully understanding and combining relevant public sector budgets.
- Joining up delivery and activity across the city with partners, residents and businesses.
- Joining up understanding of, and response to, the results of delivery.

3.5 The commissioning stages outlined in the Commissioning Work Plan relate to progress against specific activities, these are:

- **Scoping:** discuss scope and principles of new commission with relevant partners and stakeholders; identify group, issue or place and summarise rationale
- **Needs Analysis:** gather, analyse and assess needs and outcomes; consult with clients/providers; map services and interventions/current pathways; draft priorities
- **Commissioning Strategy:** establish priorities and outcomes; develop service design and specification; identify service gaps; consult with clients/providers
- **Implementation:** specify and award contracts or amend compacts for services through tendering and contract / compact management; work with external providers and delivery units to agree performance compacts; develop the market, build capacity and promote innovation
- **Review:** manage service provider performance/quality via contract and compact management; review & evaluate service provision against required outcomes; consult with clients and residents to review if needs are being met

Commissions are developed within joint commissioning structures with other partners and stakeholders and specialist organisations to deliver on cross-cutting priorities. Priorities are agreed on the basis of statutory obligations, links to the Corporate Plan and needs identified as part of high level Joint Strategic Needs Assessments and the State of the City Report.

3.6 The Commissioning Plan is divided into three sections: City Wide Commissions, Service Commissions and examples of commissioning work from the health sector. The Health sector information has been provided by Public Health and the Clinical Commissioning Group and as part of the health transformation process will be progressively integrated with the City's Commissioning Plan as appropriate.

3.7 Whilst this plan does not represent everything that the city council will be leading on and delivering, it does represent some priority areas where a commissioning approach will lead to transformational change. The council's other activities are managed through the authorities planning processes including Compacts and service Business Plans.

#### The City Wide Commissions

3.8 The City Wide Commissions are **major** undertakings addressing significant issues in the city with the full involvement of our partners and stakeholder. These are key priority areas that have a wide ranging impact across lives, geography, sectors and services. These scheduled commissions will aim to tackle the top priorities identified across the city with our partners. The City Wide Commission established to look at **Families in multiple disadvantage** is a good

example of this. There are currently 18 City Wide Commissions identified, including the 3 initial pilot commissions already well underway and delivering.

### Service Commissions

- 3.9 The Service Commissions have their roots in a particular service area, and are not as wide in scope as the City Wide Commissions. In many cases, partners will be involved such as those with our partners in the National Health Service for example. The Service Commissions may be annual or re-commissioning pieces of work, but they are still based upon the principles of commissioning outlined above. The **Student Housing Strategy** commissioned by the Strategic Housing Partnership is a good example of this.
- 3.10 It is important to note the policy and strategy activity that underpins the work of the council and our partners including the Commissioning Work Plan. This activity, led by the local authority with partners, provides the strategic and supporting framework for effective commissioning and day to day service delivery. This work ranges from large scale and wide ranging pieces of strategy to some fairly specific pieces of policy with a narrower focus. Examples include:
- State of the City Report and the Joint Strategic Needs Assessment
  - One Planet Living Framework and State of the Local Environment Report
  - Equality and Inclusion Strategy
  - Community Safety Strategy, the Crime Reduction and Drugs Strategy
  - City Events Strategy
  - Brighton and Hove Food Strategy (Spade to Spoon, Digging Deeper).
  - Welfare Reform planning

## **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 Commissions are developed within joint commissioning structures with other partners and stakeholders and specialist organisations to deliver on cross-cutting priorities. Priorities are agreed on the basis of statutory obligations, links to the Corporate Plan and needs identified as part of high level Joint Strategic Needs Assessments and the State of the City Report.
- 4.2 Commissioners undertake a wide degree of consultation within the council and Corporate Management Team, Strategic Leadership Board and more widely with City Partners including Public Health, Police, Transport and CVSF on service and city wide commissions to ensure cross-cutting priorities are established and delivered jointly to ensure they maximise efficiency and value for the city.

## **5. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 5.1 The development and delivery of Commissioning Work Plan is resourced within the budget strategies for 2012/13 and 2013/14 to support the council's agreed corporate plan priorities. Commissioning influences the assumptions within the council's Medium Term Financial Strategy ensuring that needs are properly

understood, growth is managed and resources prioritised, to deliver the intended outcomes.

*Finance officer consulted: Anne Silley*

*Date: 23/01/12*

Legal Implications:

- 5.2 Given the city wide scope of the proposed commissions and their strategic importance under the council's Corporate Plan, Cabinet is the appropriate body to consider and approve the Commissioning Work Plan.

*Lawyer consulted: Oliver Dixon*

*Date: 23/01/12*

Equalities Implications:

- 5.3 The council's Equality and Inclusion Policy is one of the key accompanying documents to the Commissioning Work Plan. The Equality and Inclusion Policy guides the council's approach to equality, diversity and inclusion. It explains the council's responsibilities and duties, and sets out how the council will meet them. This includes identifying the priorities of equality groups across the city and address equality implications of the Corporate Plan.

In addition, data from the Place Survey and the State of the City report has been used to inform the development of the Plans focus on reducing inequality and the rolling programme of equality impact assessments by teams and service units across the council. Equality Impact Assessments will be carried out as part of each commission.

Sustainability Implications:

- 5.4 Sustainability implications have been outlined in detail within the Corporate Plan, the main document upon which this plan has been developed. These have been informed by the State of the City report and recent work by the City Sustainability Partnership on the State of the Local Environment and One Planet Living Framework, as well as on going work by council teams for example, transport, parks, waste.

Crime & Disorder Implications:

- 5.5 Crime and disorder implications have been outlined in detail within the Corporate Plan, the main document upon which this plan has been developed. These have been informed by the emerging Safe in the City Strategy, the State of the City Report, as well as on going work by council and community safety teams.

Risk and Opportunity Management Implications:

- 5.6 Risks and opportunities for the council and the city were considered during the development of the Corporate Plan significantly influencing the choice of priorities, for example, social and economic implications of not tackling inequality, the benefits and opportunities of better involvement of wider range of people. The Commissioning plan seeks to support delivery of these priorities.

Public Health Implications:

- 5.7 Public Health implications, informed by the JSNA and the State of the City Report, have been incorporated within specific and city wide Commissions within the council's Commissioning Work Plan.

Corporate /City wide Implications:

- 5.8 The council's Commissioning Work Plan commits the local authority to undertaking cross-cutting service delivery in accordance with the Corporate Plan, the City's Sustainable Community Strategy and other established policies and plans in conjunction with City Partners.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Not applicable

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 Not applicable. The Commissioning Work Plan sets out a significant programme of city wide and service priorities that are fundamental for delivering the council's Corporate Plan and Sustainable Community Strategy objectives with its Partners.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. The work plan is large and complex and therefore is embedded here as an Excel workbook. It can be opened by clicking the icon below.  
The "Introduction" worksheet describes the view and print options.



**Documents in Members' Rooms**

Hard copy of the Commissioning Work Plan

**Background Documents**



<b>Subject:</b>	<b>Joint Community Safety Delivery Unit</b>		
<b>Date of Meeting:</b>	<b>9<sup>th</sup> February 2012</b>		
<b>Report of:</b>	<b>Strategic Director, Communities</b>		
<b>Lead Member:</b>	<b>Cabinet Member for Communities, Equalities &amp; Public Protection</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Linda Beanlands</b>	<b>Tel: 291115/1101</b>
	<b>Email:</b>		
<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No: CAB27034</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

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

- 1.1 The purpose of this report is to advise of proposals to bring together neighbourhood policing and relevant council services under one delivery unit building on the existing established partnership arrangements embedded in the Partnership Community Safety Team. The proposal will involve joint management of staff between the police and the council working to deliver city wide community safety outcomes as determined within Partnership commissioning arrangements, led by the Strategic Director of Communities and Divisional Police Commander.
- 1.2 The Partnership Community Safety Team ensures delivery of the statutory requirements regarding community safety placed on the council under the Crime and Disorder Act 1998. The new integrated delivery unit will increase the effectiveness of police and community safety services to the public and outcomes achieved. The first phase of the new unit, with a new delivery manager, will be in place by April 2012.
- 1.3 Processes are also under way, to reshape the strategic and commissioning functions which currently support the full range of statutory and related functions that are required of the Community Safety Partnership, including those which relate to substance misuse, and all other priority crime areas. Discussions about those future arrangements are taking place with partners, in particular with police, probation and the Director of Public Health.
- 1.4 Discussions are also underway to understand the impact of central government initiatives such as work around "Troubled families" and how this work will impact on, for example, the current operation of the Family Intervention project.
- 1.5 The new arrangements will provide a robust framework for community safety services and the Partnership on which to base future arrangements for the establishment of Police & Crime Panels (July 2012) and a Police & Crime Commissioner for Sussex (appointed November 2012)

## **2. RECOMMENDATIONS:**

- 2.1 That Cabinet agrees the proposals set out in this report for the joint integrated delivery of neighbourhood policing and those community safety services currently delivered by the Council, including those listed under paragraph 3.3.
- 2.2 That Cabinet authorises the Chief Executive and the Strategic Director, Communities to take all steps necessary or incidental to the implementation of the proposals in this report.
- 2.3 That Cabinet authorises the Head of Law to make any necessary consequential amendments to the scheme of delegations to Officers or, if he considers it more appropriate, bring proposals to the Governance Committee and Cabinet for approval.

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

### **Background**

- 3.1 Brighton and Hove has benefited from a Partnership Community Safety Team (PCST) since 2002 when it was established as a development from the Anti Victimisation Initiative. The Team has developed since then and as well as fulfilling the statutory and related duties on behalf of the Community Safety Partnership, also delivers front line services from premises at 162 North Street, Bartholomew House and Ovest House.
- 3.2 The PCST and Community Safety Partnership working arrangements are set out in the city wide, Community Safety, Crime Reduction and Drugs Strategy 2011 – 2014. The Strategy and the crime reduction priorities that are identified within it are based on strategic assessments and community consultation which are refreshed annually. The process enables the Community Safety Commissioner to co-ordinate prioritised community safety services by partner agencies across the city in accordance with the following aims:
  - Reducing crime and anti-social behaviour, especially around issues that matter most to local people
  - Improving feelings of safety and meeting the needs of victims of crime
  - Tackling the underlying causes of offending
  - Reducing the harm caused by drugs and alcohol
  - Taking early action to prevent and design out crime
  - Reducing re-offending and achieving visible justice, (including by the use of restorative justice and community payback)
- 3.3 Besides delivering the statutory and related duties on behalf of the Community Safety Partnership, the Team provides the following community safety services directly to the public:
  - Anti-social Behaviour and Hate Crime casework including enforcement and legal remedies where appropriate

- A Family Intervention Project which works with high risk families with complex needs and offending behaviours
- Domestic violence services for both victims and perpetrators
- Engagement and capacity building with communities in neighbourhoods and with communities of interest: the work includes delivery of the 'Building Resilience to Violent Extremism ('Prevent') programme, contributing to monitoring of tensions and risk assessments and supporting migrant and refugee communities
- Increasing physical safety through improvements to the physical environment and working with local people to develop solutions to their concerns
- Reducing drug related harm within families and communities through a Communities Against Drugs programme

### **Opportunity for Change**

- 3.4 In many instances, there are shared responsibilities between police and council services in achieving community safety. The most effective solutions for the individual and communities come when those solutions are delivered in an integrated way. The Police and Council already have well established shared management arrangements for the PCST. The proposed new Delivery Unit will build on those strengths and relationships extending them into all areas of community safety and neighbourhood policing.
- 3.5 Neighbourhood Policing has been subjected to considerable development and enhancement over the past five years and has recently been the subject of the Sussex Police Neighbourhood Policing Review. The review contains recommendations that aim to increase the effectiveness and efficiency of neighbourhood policing.
- 3.6 The local delivery of public services is currently undergoing change in a number of areas and these offer opportunities to achieve improved outcomes particularly for Community Safety Partnerships. They are:
- Easily accessible services and clear service standards for communities and victims
  - The further development of a 'localism' approach
  - The developing Intelligent Commissioning approach
  - Integrated Offender Management
  - A risk assessed harm based approach in dealing with incidents.
  - Wider statutory and regulatory and licensing powers across the workforce thereby increasing community protection
  - Increased community engagement and empowerment
  - Restorative approaches to increase victim satisfaction and deal more effectively with perpetrators
  - Work around "Troubled families" and families at risk of multiple disadvantage, work that reflects considerable change within the spheres of adult and children's social care

## **Overview of proposed new Joint Delivery Unit**

3.7 As a first step towards responding to the opportunities afforded above, the proposed Joint Delivery Unit is likely to include (subject to consultation and future commissioning decisions) the following areas of community safety services:

- A unified Community Action Team which incorporates the current Environmental Improvement, Communities Against Drugs Teams and Community Engagement Officers. The Teams work in neighbourhoods day to day, responding to residents' safety concerns and building family and community capacity to help develop and implement creative solutions to safety problems. The Team also facilitates and supports community led Forums which meet the particular needs of Black and minority ethnic, faith and LGBT communities and will provide the strategic leadership on this and 'Prevent' work, linking closely with the councils equalities and community engagement team.
- A Casework Team which deals with hate crime, anti-social behaviour and incidents including those experienced by people with disabilities; the Team also leads the development of good practice across the city to effectively risk assess and manage high risk cases and links with Adult Safeguarding procedures.
- A Neighbourhood Policing Team, 62 police officers and 74 PCSOs working in teams in neighbourhoods with one nominated officer responsible for community safety services and policing in each ward.

With very significant change at a local and national level, work that currently sits in the Community Safety Team, such as the Families Team which incorporates the Family Intervention Project targeted at those most at risk families with complex needs, is being actively reviewed with colleagues from across the Council and partners, including the Police service. For the moment, and until this review is complete, the work will continue to sit within the planned joint delivery unit, though this may be subject to change. Whatever the outcome of the review is, the Team will work closely with Children's Services supporting the Family Common Assessment Framework and Child Safeguarding processes.

## **Accountability and Tasking**

3.8 The sources for determining day to day operations for the JCSDU will be:

- Information and intelligence from residents and the public drawn from reports made to both or either, the police or council services
- Emerging operational priorities based on intelligence (as above) and risk assessments

- Identified opportunities to build the resilience of communities and develop sustainable community safety solutions (follow on from successful enforcement)
  - Commissioning priorities agreed by the Community Safety Partnership
  - Priorities within the Sussex and Brighton & Hove Policing and Crime Plans
  - Priorities within the Community Safety, Crime Reduction and Drugs Strategy 2011 – 2014
  - Priorities recommended from the Brighton and Hove Joint Strategic Needs Assessment
- 3.9 Team managers including NPT Inspectors for the three areas will be accountable to the Delivery Unit manager. Operations will have a designated lead officer and to increase effectiveness, police and council staff will be briefed together. Immediate response and medium term tasks are most likely to be time and resource limited. Longer term strategic priorities will be identified and progress monitored.
- 3.10 The JCSDU will work from existing locations. Opportunities for co-location will be taken, if those arise from planned investment within existing estate reviews. New investment will not be recommended unless there is a clear 'invest to save' case.
- 3.11 There would be no intention to create a separate corporate body in the establishment of a joint unit. There will be clearly articulated crime reduction and safety outcomes set by the Strategic Director of Communities responsible for commissioning community safety services and managed through commissioning arrangements. The Director will work in close partnership with the Divisional Police Commander and other lead officers in the Community Safety Partnership including the Director of Surrey and Sussex Probation Services, the Director of Public Health, the Strategic Director for People and others. The JCSDU manager will have day to day responsibility for activity. Line management and welfare functions will remain within appropriate police and council arrangements.
- 3.12 The detailed governance and democratic accountability arrangements are yet to be confirmed, however in developing those new arrangements, full consideration will be given to the benefits of the current consultative arrangements of the Community Safety Forum, Local Action Teams and other community led Forums. Account will also need to be taken of the required new arrangements for the establishment of the Police & Crime Commissioner and Panel, those arising from the establishment of the new council committee arrangements and new developments for Neighbourhood Panels and future community engagement.
- 3.13 It is not clear at this stage if the detailed arrangements will require consequential amendments to the scheme of delegations to Officers. The exercise of delegated functions such as the decisions on whether to seek Anti-Social Behaviour Orders on behalf of the Council have to be taken by a Council Officer (not necessarily a Council employee) with delegated powers or authorisation under the general scheme of delegations. In other cases it may simply involve making joint operational arrangements focusing on a degree of co-location, co-ordination and enhanced co-operation. Officers will develop the detailed operational arrangements and if it becomes clear that there is a need for changes to the current scheme of delegations to Officers a report will be brought to the Governance Committee and Cabinet for approval. Minor consequential

amendments can be done by the Monitoring Officer under Article 15 of the constitution.

- 3.14 The relationship with the appointed Policing and Crime Commissioner and Panel is in process of development. That process will include establishing a protocol between the office of the PCC and the Chief Constable. The protocol will set out arrangements for a range of issues including significant challenges such as the delivery of the strategic policing requirement and the operational independence of the Chief Constable. Meetings are taking place with East and West Sussex authorities and Sussex Police Authority. Home Office guidance will be closely referenced.

### **Benefits to the Public**

3.15 Service delivery to the public will be improved through:

- A single 'Safe In the City' brand which provides clear accountability for shared responsibilities
- Improved reporting arrangements, intelligence gathering, analytical products, performance and outcome performance monitoring and feedback
- Improved targeting of police and council 'fast time' enforcement and operational responses which are integrated at the point of delivery together with planned, sustainable interventions which increase community safety and future resilience to crime and disorder
- Enhanced availability of specialist support teams interventions
- Increased capacity of neighbourhood police and community safety services: the increased capacity will come from pooled resources and a workforce that is better skilled across a broader range of interventions
- Integrated approach to delivery of casework against agreed standards
- Consistent delivery of neighbourhood policing and community safety responses which are integrated with principles and best practice arrangements of community engagement and neighbourhood management
- Increased value for money in neighbourhood police and community safety services

## **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

The Community Safety Forum has been advised of the proposals within the context of discussions about the further integration of services at the point of delivery and increasing the effectiveness and sustainability of community safety and crime reduction solutions. The proposals have been welcomed by Forum members.

## 5. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

The Community Safety budget supported by the Council is £2.1 million. The neighbourhood policing of Brighton & Hove has a staffing budget of £6 million. The changes proposed will be achieved within existing resources. It is anticipated that increased service capacity will be achieved as a result of the joint approach. Budget accountability will remain separate until the new governance arrangements are in place for the joint unit and the implications and risk associated with integrated arrangements are assessed.

*Finance Officer Consulted: Name Anne Silley Date: 14/01/12*

### Legal Implications:

The proposals in this report are within the Council's wellbeing powers under the Local Government Act 2000 and other general powers. It is not clear at this stage what the exact decision making arrangements are within the proposed integrated service delivery unit. Under the Local Government Acts 1972 and 2000, the Council can only delegate its functions to Officers. Any role that involves making formal decisions, such as serving enforcement notices or commencing legal proceedings will have to be taken by an Officer with delegated powers under the council's constitution. As part of the development of the detailed working arrangements, consideration needs to be given as to whether any part of the Council's existing scheme of delegations to officers needs amending. Depending on the significance of the changes, they may be dealt with by way of the powers given to the Monitoring Officer to make consequential amendments or reported to the Cabinet for approval.

*Lawyer Consulted: Abraham Ghebre-Ghiorghis Date: 18/01/12*

### Equalities Implications:

The integration of Neighbourhood policing with the Partnership Community Safety Team will provide specific opportunities for extending good practice in dealing with hate crimes and increasing trust and confidence with BME and LGBT communities and people with disabilities.

### Sustainability Implications:

The proposals will establish robust arrangements for integrated working which will provide a firm basis on which to build community safety services in the future.

### Crime & Disorder Implications:

The proposed Joint Community Safety Delivery Unit and the establishment of clear commissioning and Partnership support arrangements accord with the statutory duties required of Community Safety Partnerships.

### Risk and Opportunity Management Implications:

The proposal takes account of potential savings which may impact upon community safety services overall and puts in place a framework of working which will be best placed to absorb any savings.

Public Health Implications:

The proposed structure further integrates working with substance misuse commissioning and delivery arrangements and opens up opportunities for joint working to achieve city wide outcomes including those led by the Director of Public Health and health services.

Corporate / Citywide Implications:

6. **EVALUATION OF ANY ALTERNATIVE OPTION(S):**
7. **REASONS FOR REPORT RECOMMENDATIONS**

**SUPPORTING DOCUMENTATION**

**Appendices:**

None

**Documents in Members' Rooms:**

None

**Background Documents:**

None



<b>Subject:</b>	<b>Brighton &amp; Hove Child Poverty Commissioning Strategy 2012-2015</b>		
<b>Date of Meeting:</b>	25.1.12 CYPOSC 30.1.12 CYPTB <b>9 February 2012</b>		
<b>Report of:</b>	<b>Strategic Director for People</b>		
<b>Lead Cabinet Member:</b>	<b>Children and Families</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Sarah Colombo</b>	<b>Tel: 29-4218</b>
	<b>Email:</b>	<b>sarah.colombo@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No: CAB27048</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

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

- 1.1 Under the Child Poverty Act 2010, the council, with partners, is required to produce a local Child Poverty Needs Assessment and a Child Poverty Strategy. Following the council's recently adopted Intelligent Commissioning Framework a city wide needs assessment on child poverty was completed in June 2011 and the subsequent Child Poverty Commissioning Strategy developed.
- 1.2 Based on the findings of the needs assessment and public consultation the commissioning strategy recommends a focus on:
- Lone parents because this is the majority family type living in poverty
  - Children and families with disabilities because they have a high risk of living in poverty and a greater risk of reduced income as a result of recent benefit changes
  - Families with a complex range of problems because the impact on children's life chances is great as is the cost of intervening to support those families
  - Investigating further the extent to which Black and Minority Ethnic families are living in disadvantage in Brighton and Hove
- 1.3 Accompanying the commissioning strategy is a commissioning plan that contains existing good practice and plans that are contributing to reducing child poverty as well as new activity required to make a difference. The Child Poverty Commissioning Strategy and Plan is included as a city wide commission in the draft commissioning work plan enabling it to have the appropriate influence on other commissioning that plays a critical role in reducing child poverty.

## **2. RECOMMENDATIONS:**

- 2.1 That Cabinet approves the Child Poverty Commissioning Strategy as presented in appendix 1.
- 2.2 That Cabinet approves the progression of the Child Poverty Commissioning Strategy to the Public Service Board (PSB) and the Local Strategic Partnership (LSP) for their approval.

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

- 3.1 This is the first Child Poverty Commissioning Strategy for Brighton & Hove. It is produced in response to the unacceptable level of child poverty in the city (22% of all children and young people) and the detrimental effect that poverty can have over the full course of their lives, as well as to the legal requirement placed on the council by the Child Poverty Act 2010.
- 3.2 The commissioning strategy describes the outcomes we want to achieve through the collective effort of all partnerships/partners in the city; from alleviating the impact of poverty on day to day family life, particularly in the harsh current economic climate, to reducing levels of poverty overall and tackling the inequality that it creates.
- 3.3 In 2010-11 a Child Poverty Needs Assessment was undertaken for Brighton & Hove, overseen by the city's Public Service Board. This was a first effort to bring together a full range of evidence around such a broad and far reaching outcome, using the new citywide needs assessment process.
- 3.4 The completed draft Child Poverty Needs Assessment was presented to the Children and Young People's Trust Board and to the Children & Young People's Overview & Scrutiny Committee in March 2011. The needs assessment was signed off by the PSB in line with the statutory partner organisations named in the Child Poverty Act in June 2011.
- 3.5 The needs assessment covered individual family circumstances as well as wider economic and social circumstances, and also the interaction of services that are provided to support and influence these. The findings and recommendations of the needs assessment directly inform and shape the commissioning strategy.
- 3.6 Following approval by the PSB and LSP the commissioning strategy will be made available on-line and will provide direct links to good practice already within the city and existing strategies/commissions contributing to reducing child poverty in the Brighton & Hove.

## **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 Extensive consultation was carried out with professionals during the needs assessment process, as well as a review of a very wide body of national research and local consultation with children, young people and families. Appendix 2 contains the summary of the needs assessment and the full needs assessment which is available on request contains details about the consultation.
- 4.2 A public consultation was undertaken on the findings of the Child Poverty Needs Assessment and on draft strategic recommendations for reducing child poverty. Appendix 3 contains details of this consultation.

## **5. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 5.1 Any new activities in the commissioning plan that accompanies the strategy will be fully costed and funding identified and agreed. Any new investment requested will be assessed within the value for money context and a business case drawn up and approved before any financial commitments are made.

*Finance Officer Consulted: David Ellis Date: 11/01/12*

### Legal Implications:

- 5.2 Approval of the Commissioning Strategy will ensure the council's meets its legal duty under the Child Poverty Act 2010.

*Legal officer Consulted: Natasha Watson Date: 23/01/12*

### Equalities Implications:

- 5.3 The Child Poverty Needs Assessment is the equalities impact assessment for the Child Poverty Commissioning Strategy. The strategic outcomes and objectives in the strategy flow from the findings of the Child Poverty Needs Assessment and the public consultation.

### Sustainability Implications:

- 5.4 The relationship between a range of factors within the city such as employment opportunities, living and housing costs, and wider quality of life issues as the basis for sustainable and prosperous communities, and the impact that these may have on families, is described within the Child Poverty Needs Assessment upon which the commissioning strategy is built.

### Crime & Disorder Implications:

- 5.5 The correlation between crime and disorder and child poverty is described within the Child Poverty Needs Assessment. It includes such issues as the involvement in anti-social behaviour of children and young people, both as perpetrators and victims of crime, and also the impact on families of issues such as domestic violence or drug abuse

Risk and Opportunity Management Implications:

- 5.6 The Child Poverty Commissioning Strategy recommends that work to reduce child poverty should be monitored by a cross cutting Child Poverty Task Group in order to better coordinate efforts by services to reduce child poverty and improve life chances for children and young people. There is a risk to the local authority and partners of the costs associated with multi-agency interventions however the Child Poverty Needs Assessment identifies interventions and services which are proven to be effective.

Public Health Implications:

- 5.7 Mitigating the effects of child poverty and reducing it are key drivers of improving children and families' health and wellbeing. Action on child poverty has short, medium and long term health benefits for parents and carers now and for children and young people throughout the course of their life. There will be strong links between this Strategy and the developing Health and wellbeing Board for the City.

Corporate / Citywide Implications:

- 5.8 The Child Poverty Commissioning Strategy has implications for the public, private and community and voluntary sectors as well as residents and communities in terms of its implementation and its future review. The Commissioning Strategy is part of the a draft commissioning work plan and due to its far reaching nature has implications for many of the other commissions timetabled. The Child Poverty Needs Assessment provides the evidence base for the Commissioning Strategy and both will be adopted by the Brighton & Hove Local Strategic Partnership.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 The Child Poverty Needs Assessment and the Child Poverty Commissioning Strategy are a statutory requirement for the Local Authority and its partners.

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 Agreement by the Council and its partners of this Child Poverty Commissioning Strategy will full fill the statutory requirement as detailed in the Child Poverty Act 2010

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Brighton & Hove Child Poverty Commissioning Strategy 2012-2015
2. Brighton & Hove Child Poverty Needs Assessment 2011 - Summary
3. Child Poverty Consultation Report 2011 – to follow
4. Brighton & Hove portfolio of good practice – to follow

### **Documents in Members' Rooms**

1. Brighton and Hove Child Poverty Needs Assessment 2011 - Full

### **Background Documents**

1. Full catalogue of evidence and information used to complete the Brighton and Hove Child Poverty Needs Assessment



## **Appendix 1**

### **Brighton & Hove Child Poverty Commissioning Strategy 2012-2015**

#### **Introduction**

This is the first Child Poverty Commissioning Strategy for Brighton & Hove. It is produced in response to the unacceptable level of child poverty in the city – 22% of all children and young people – and the detrimental effect that poverty can have over the full course of their life.

The strategy describes the outcomes we want to achieve through a collective effort between partnerships in the city; from alleviating the impact of poverty on day to day family life, particularly in the harsh current economic climate, to reducing levels of poverty overall and tackling the inequality that it creates.

In 2010-11 a Child Poverty Needs Assessment was undertaken for Brighton & Hove, overseen by the city's Public Service Board. This was a first effort to bring together a full range of evidence around such a broad and far reaching outcome, using the new citywide needs assessment process.

The needs assessment covered individual family circumstances as well as wider economic and social circumstances, and also the interaction of services that are provided to support and influence these. The findings and recommendations of the needs assessment have directly influenced this strategy.

This Child Poverty Commissioning Strategy with the needs assessment meets the statutory requirements placed on the local authority and its partners as laid out in the Child Poverty Act 2010. This initial strategy will form the basis for a final strategy which will go to Council Cabinet in February 2012 followed by the Public Service Board and final sign off with the Local Strategic Partnership in March 2012.

#### **Key Findings of the Child Poverty Needs Assessment**

Child poverty is defined as children and young people in families living on less than 60% of national median income. This equates to £344 pw for a two parent family with 2 children and £263 pw for a one parent family with 2 children before housing costs (both figures before housing costs).

The Needs Assessment shows that over the three years from 2007 to 2009 the percentage of children and young people in families living in poverty in Brighton and Hove has remained around 22% of all children. This is in line with the national average but significantly above the regional South East average.

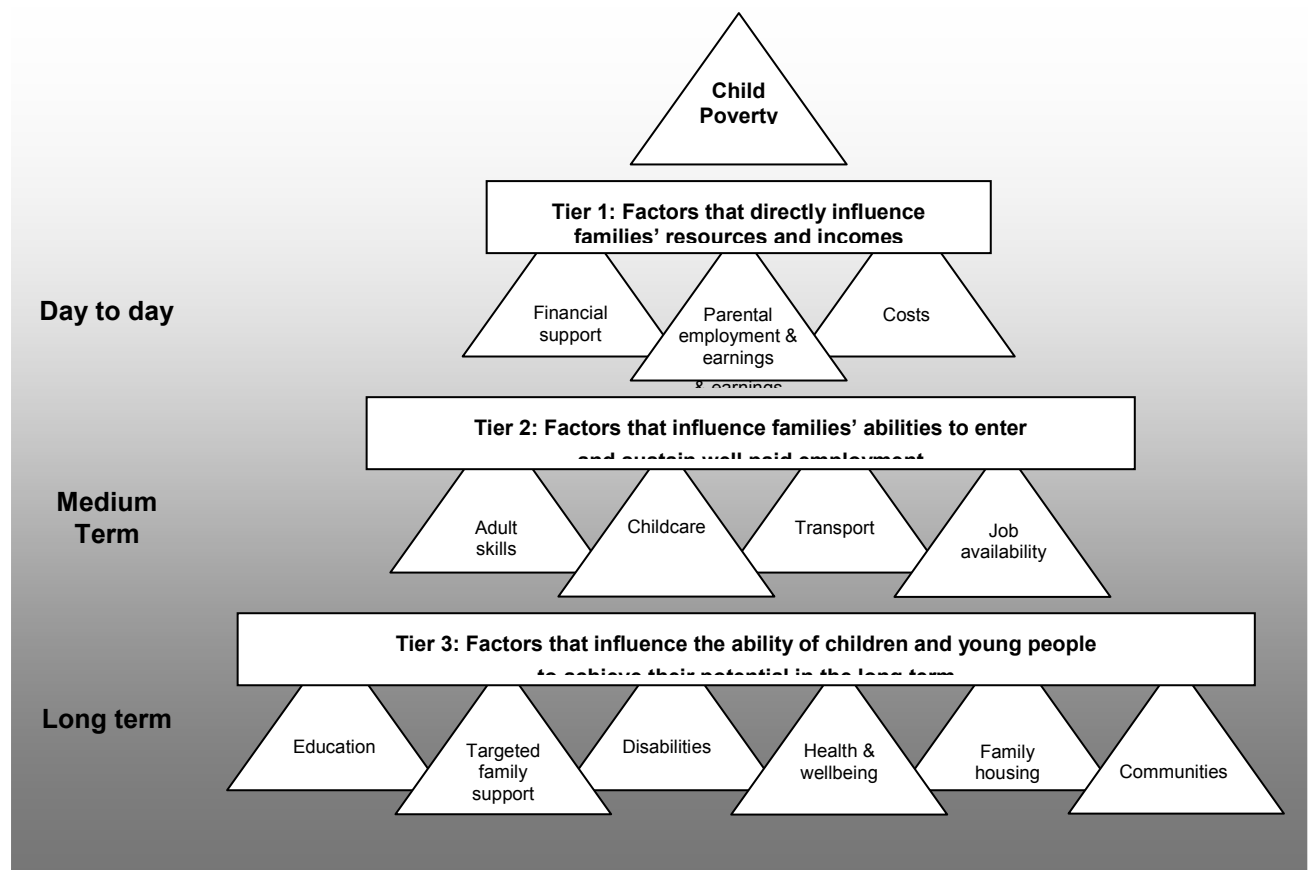
A high percentage of those children live in single parent families, predominantly headed by women, and the majority of all families living in poverty are not in work.

There are wide discrepancies between rates of child poverty across the communities that make up Brighton and Hove. Unsurprisingly some of the deepest pockets of child poverty are in the poorest communities, where just under 50% of all children live in poverty.

It is also clear that families with disabilities and Black and Minority Ethnic families are also more likely to live in the most disadvantaged communities. Single parent families living in poverty are, however, scattered across the City.

The full Brighton & Hove Child Poverty Needs Assessment can be read online at the Brighton & Hove Local Information Service [link to BHLIS].

The Pyramid below shows the factors that combine to reduce child poverty in three layers from day to day issues through to long term prevention. It is only by working on all layers through the key factors that we can impact upon child poverty over the long term.





## **Conclusions**

The Child Poverty Needs Assessment and the Consultation that followed reached the following conclusions:

1. We need immediate measures to provide information, advice and support to families whose incomes are reducing as a result of reductions in a range of benefits
2. We must focus on:
  - Lone parents because this is the majority family type living in poverty
  - Children and families with disabilities because they have a high risk of living in poverty and a greater risk of reduced income as a result of recent benefit changes
  - Families with a complex range of problems because the impact on children's life chances is great as is the cost of intervening to support those families
  - The extent to which Black and Minority Ethnic families are living in disadvantage in Brighton and Hove
3. Recognising the importance of and ensuring the capacity of community based organisations because they are:
  - effective and trusted
  - delivered with and for local residents; and
  - act as essential gateways to local and national initiatives and services

A note on families: Families is used here to describe a range of family circumstances including young adults such as care leavers and young carers and it also describes extended families.

## **A Child Poverty Commissioning Strategy for Brighton and Hove - Strategic Outcomes**

The following Strategic Outcomes require a systemic approach that addresses the short, medium and long term causes of child poverty.

### **Timescales for change**

The impacts of the objectives outlined here will be felt across a range of timescales from the immediate impact of gaining benefits or managing debts to the long term benefits of young children getting the best possible start in order to better their chances of becoming resilient adults.

Brighton and Hove Child Poverty Commissioning Strategy 2012-15

## **Strategic Outcome 1**

Four strategic child poverty outcomes provide an overarching theme for the Local Strategic Partnership and reducing child poverty is a Council standard priority for tackling inequality.

### **Objectives:**

- 1.1 Four strategic outcomes for reducing child poverty to be agreed by:  
Brighton and Hove City Council    February 2012  
Public Service Board                      February 2012  
Local Strategic Partnership              February 2012
- 1.2 Formation of a Child Poverty Task Group lead by the Council with the responsibility for driving forward actions to mitigate the effects of and reduce child poverty over the short, medium and long term
- 1.3 The Task Group to deliver an annual monitoring report comprising a core set of reducing child poverty measures to the Local Strategic Partnership from April 2012
- 1.4 The Council to introduce a reducing child poverty priority to its Equalities Impact Assessments by April 2012
- 1.5 Ensuring reducing child poverty is a priority within the emerging Health and Well Being Board's strategic plans
- 1.6 Include the Child Poverty Commissioning Plan as a key city commission in the draft commissioning work plan.

## Strategic Outcome 2

Families have the resources to enable them to meet their day to day needs and to make positive choices to ensure their family's wellbeing.

### Objectives:

#### 2.1 More families managing debt through:

- Easy and timely access to high quality advice services
- Increased Credit Union membership by families living in poverty
- Increased number of families living in poverty have basic bank accounts
- Reduced use by families living in poverty, of high cost credit options

#### 2.2 More families taking up benefits through:

Targeted take up campaigns using frontline staff across services and organisations to raise awareness with an emphasis on:

- Working poor families
- Families eligible for disability benefits
- Black and Minority Ethnic families living in poverty

#### 2.3 Families with reduced income as a result of current welfare policy changes are supported to mitigate further poverty through:

- Timely prioritised high quality advice and support
- In this high cost city a specific lobby of Government by the Local Strategic Partnership on the effects of national welfare changes

#### 2.4 More families having reduced costs of living through:

- Increase in affordable family homes in the City
- Increased internet access to counter the poverty premium
- Increased access to affordable good quality food
- Decrease in the impact of fuel poverty on families
- Child poverty awareness campaign for schools to reduce school related costs for families
- A review of the relative cost of transport for families living in poverty in outlying disadvantaged communities

### **Strategic Outcome 3**

More parents, carers and young adults living in poverty gain the skills, training and qualifications they need to get decently paid jobs and more families earn, as a minimum, a living wage for Brighton and Hove.

#### **Objectives:**

- 3.1 Increased number of parents, carers and young people paid a living wage for Brighton & Hove with the emphasis on:
  - Increased pay levels in job sectors with part time jobs traditionally occupied by women
  - Lone parents gaining employment
  - Parents and carers with disabilities gaining employment
  
- 3.2 More parents and carers and young adults gaining skills, training and qualifications that will increase their opportunities to get decently paid work with the emphasis on:
  - Improving literacy and numeracy for targeted families through an increased programme of family learning
  - Skills and qualifications for parents and carers tailored to local job sectors
  -
  
- 3.3 More families living in poverty accessing affordable and accessible childcare through:
  - In this high cost city with higher than average childcare costs, a specific lobby of Government by the Local Strategic Partnership for a rise in the maximum childcare element of the working tax credit to 100% of costs
  - Targeting of current and additional 2 yr old early education places to the most disadvantaged families
  - The Council and East Sussex Credit Union to deliver a childcare deposit scheme
  - Continuation of the Council's At Home Childcare service offering flexible childcare in the home

## Strategic Outcome 4

Children and young people grow to adulthood and achieve their potential in safe and nurturing families and communities

### Objectives:

- 4.1 More children living in poverty and in areas and communities of disadvantage gain the City average early years foundation stage result
- 4.2 More young people in poverty and in areas and communities of disadvantage gain the City average GCSE's with the emphasis on:
  - Narrowing the gap in achievement of children at risk of or living in poverty
  - Improving the preparedness of the most vulnerable children to enter secondary school
- 4.3 Parents and carers at risk of or living in poverty are supported to improve their resilience and that of their children through:
  - Routine identification within adult services of families living in poverty and at risk of poverty and targeting of services to them with emphasis on:
    - Adult mental health
    - Drug and alcohol misuse
    - Intergenerational poor families
- 4.4 To support capacity building in the community and voluntary sector to provide advice, information and support to lone parents across the City
- 4.5 Expansion of proven project work which builds parent networks of support such as the Families and Schools Together (FAST) programme
- 4.6 Delivery of the Supporting Families in Multiple Disadvantage commission
- 4.7 Continued delivery of health promotion and sports promotion services for children, young people and their families
- 4.8 Children and young people are valued participants in their family, their school, their community, and their city through:
  - A comprehensive programme of youth participation in community and City wide decision making
  - Undertaking a review of the affordability of transport for children and young people in the City
  - Investigating the feasibility of a youth participation card scheme to enable disadvantaged young people to access the cultural and social life of the City

## Child Poverty Commissioning Plan 2012-2015

Outcome 1 - Four strategic child poverty outcomes provide an overarching theme for the Local Strategic Partnership and reducing child poverty is a Council standard priority for tackling inequality	Responsibility	Strategies/Plans	By When
<b>Objectives</b>			
1.1 Four strategic outcomes for reducing child poverty to be agreed by:	B&H Council Public Service Board Local strategic Partnership	Child Poverty Commissioning Strategy 2012-15	Feb 2012 Mar 2012 Apr 2012
1.2 Formation of a Child Poverty Task Group lead by the Council with the responsibility for driving forward actions to mitigate the effects of and reduce child poverty over the short, medium and long term	B&H Council – Strategic director for People	“	Apr 2012
1.3 The Task Group to deliver an annual monitoring report comprising a core set of reducing child poverty measures to the Local Strategic Partnership from April 2012	Child Poverty Task Group	“	Annually from May 2012
1.4 The Council to introduce a reducing child poverty priority to its Equalities Impact Assessments by April 2012	B&H Council	“	Apr 2012
1.5 Ensuring reducing child poverty is a priority within the emerging Health and Well Being Board’s strategic plans	Health and Well Being Board/Task Group	Joint Health & Well Being Strategy	

1.6 Include the Child Poverty Commissioning Plan as a key city commission in the draft commissioning work plan.	B&H Strategic director for Place	Child Poverty Commissioning Strategy 2012-15	Feb 2012
<b>Strategic Outcome 2 - Families have the resources to enable them to meet their day to day needs and to make positive choices to ensure their family's wellbeing</b>	<b>Responsibility</b>	<b>Strategies/Plans</b>	<b>By When</b>
<b>Objectives</b>			
2.1 More families managing debt	B&H Advice Partnership B&H Council East Sussex Credit Union	B&H Council Corporate Plan 11-15 Chapter 8 Sustainable Communities Strategy 2009	Oct 2012 onwards
2.2 More families taking up benefits	B&H Council Children and Families Unit Advice Partnership	"	Oct 2012 onwards
2.3 Families with reduced income as a result of current welfare policy changes are supported to mitigate further poverty	Advice partnership B&H Council LSP - Lobbying	"	Oct 2012 onwards
2.4 More families having reduced costs of living	B&H Council B&H Housing Partnership Schools Brighton & Hove Food Partnership	Food Strategy Housing Strategy 2008-13 Transport Plan	April 2013

<b>Strategic Outcome 3 - More parents, carers and young adults living in poverty gain the skills, training and qualifications they need to get decently paid jobs and more families earn, as a minimum, a living wage for Brighton and Hove</b>	<b>Responsibility</b>	<b>Strategies/Plans</b>	<b>By When</b>
<b>Objectives</b>			
3.1 Increased number of parents, carers and young people paid a living wage for Brighton & Hove	B&H Council Living wage Commission	B& H Council Corporate Plan 11-15	
3.2 More parents and carers and young adults gaining skills, training and qualifications that will increase their opportunities to get decently paid work	B& H Council – Family Learning City Employment and Skills Group B&H Economic Partnership 14-19 Partnership City Sustainability Partnership	City Employment and Skills Plan (2011 refresh) Economic Strategy 2008-16	
3.3 More families living in poverty accessing affordable and accessible childcare	Brighton & Hove Council Lobby role Children and Families Unit East Sussex Credit Union	B&H Council Corporate Plan 11-15 Children and Young People's Plan	April 2013 Onwards (2 yr old places)



<b>Outcome 4 - Children and young people grow to adulthood and achieve their potential in safe and nurturing families and communities</b>	<b>Responsibility</b>	<b>Strategies/Plans</b>	<b>By When</b>
<b>Objectives</b>			
4.1 More children living in poverty and in areas and communities of disadvantage gain the City average early years foundation stage result	Brighton and Hove Council Early Education Providers	"	Nov 2012 Annual increase thereafter
4.2 More young people in poverty and in areas and communities of disadvantage gain the City average GCSE's	Brighton & Hove Council- Education Education Commission Schools	"	Nov 2012 Annual increase thereafter
4.3 Parents and carers at risk of or living in poverty are supported to improve their resilience and that of their children	B&H Council Health Promotion Health and Wellbeing Board	Health Inequalities Strategy Alcohol Harm Reduction Strategy Domestic Violence	
4.4 To support capacity building in the community and voluntary sector to provide advice, information and support to lone parents across the City	B&H Council Advice Partnership CVSF City Inclusion Partnership	Child Poverty Commissioning Strategy	April 2012 onwards
4.5 Expansion of proven project work which builds parent networks of support such as the Families and Schools Together (FAST) programme	B&H Council – Children and Families Schools	Community Safety Crime Reduction & Drugs Strategy 8-11 (await refresh)	
4.6 Reference to overarching objective of the Supporting Families in Multiple Disadvantage commission when the brief is clarified	B&H Council	Children and Young People's Plan	TBC

4.7 Ensuring continuity of targeted health promotion services for children, young people and their families (further detail on sports promotion/ development and play for children and young people)	B&H Council Healthy City Partnership Health Promotion Health & Wellbeing Board Schools City Sports Forum	Health Inequalities Strategy Active Living Strategy 2006-12 City Sports Strategy and Action Plan 2006 -12	TBC
4.8 Children and young people are valued participants in their family, their school, their community, and their city	B&H Council CVS Youth Services Stronger Communities Partnership Transport Partnership Arts Commission City Inclusion Partnership Crime and Disorder Reduction Partnership	Youth Services Review Local Transport Plan	

## Child Poverty Accountability Diagram

### Dialogue with:

Young people and parent's consultative panel

Public Service Board

Strategic Leadership Board (Brighton & Hove City Council)

### Child Poverty Task Group

Meets every 6 months

#### Role of Task Group:

- Establish baseline monitoring and 6 monthly reporting
- Read across commissioning activity (City Commission Plan) identify gaps and recommending additional commissioning
- Oversee degree to which thematic partnership are contributing to the reducing child poverty

#### Chair of Task Group: Terry Parkin

#### Membership:

- City Employment & Skills Steering Group
- Major Providers Group
- Lead Commissioner Housing
- Senior Commissioner for Health Prevention
- Lead Commissioner for Young People
- Advice Partnership
- Lead Commissioner Families in multiple disadvantage
- Head of Partnerships (local Strategic Partnership liaison)

### Reports to:

Local Strategic Partnership

Relevant BHCC committees inc  
.Overview & Scrutiny Committee

Children & Young People's Trust Board/Health & Wellbeing Board

#### **Child Poverty Strategic Outcome 1:**

We will make reducing child poverty an overarching theme for the Local Strategic Partnership and a Council standard priority for tackling inequality

#### **Child Poverty Strategic Outcome 2:**

Families have enough money to enable them to meet their day to day needs and to make positive choices to ensure their family's wellbeing

#### **Child Poverty Strategic Outcome 3:**

More parents, carers and young adults living in poverty gain the skills, training and qualifications they need to get decently paid jobs and more families earn, as a minimum, a living wage for Brighton & Hove

#### **Child Poverty Strategic Outcome 4:**

Children and young people grow to adulthood and achieve their potential in safe and nurturing families and communities

## Thematic Partnership work programmes



## **Appendix 2**

### **Executive Summary Brighton and Hove Child Poverty Needs Assessment 2011**

#### **1. What is child poverty?**

Approximately 2.8 million children and young people in England live in poverty. A family is considered to live in poverty if their income is below 60% of the national average family income. For a family of 2 adults with 2 children this means a weekly income of £344 or less before housing costs and for a lone parent with 2 children £263 or less.

Outcomes for children raised in poverty are significantly worse than for those who are not. Educational achievement and health and wellbeing are likely to suffer. Lifetime earnings for children raised in poverty are significantly lower, as are their prospects for employment. Therefore children brought up in poverty are more likely to raise their own children in poverty.

#### **2. Why is it important to Brighton & Hove?**

Almost a quarter of all children and young people in Brighton & Hove live in poverty. The majority of these live in families where one or more parents are out of work. A high proportion live in lone parent families, most of which are headed by women. The rate of child poverty varies significantly between different neighbourhoods across the city, meaning that life chances for children raised in more deprived areas are significantly worse.

#### **3. The local duties**

The Child Poverty Act, 2010 commits Government to eradicate child poverty in the UK by 2020. In order to help bring this about, the Act places duties on local authorities to work with partners to produce both a local Child Poverty Needs Assessment and from this a local strategy which proposes how they collectively will work to reduce, and mitigate the effects of child poverty.

Prior to the introduction of Child Poverty Act there was already a commitment to reduce child poverty in Brighton & Hove. One of the strategic priorities of the Children & Young People's Plan 2009-2012 is to reduce both child poverty and health inequality, recognising the link between family income and life chances.

#### **4. Intelligent Commissioning**

The Public Service Board with the Brighton & Hove Strategic Partnership have been reviewing partnership working arrangements in the city to ensure a collective focus on delivering improved outcomes for residents, according to the priority themes of the refreshed Sustainable Community Strategy.

The evidence reviewed and presented in the Child Poverty Needs Assessment demonstrates that, in order to reduce child poverty, partners should work together to improve not only children's outcomes but outcomes for the family as a whole.

#### **5. What is a Needs Assessment?**

A needs assessment is a review of data and evidence for a given subject, in this case child poverty. It judges the level of existing need within the city in relation to the desired outcome. It measures the relationship between need and service provision and, based on

approaches that are proven to work, offers recommendations. These are then used to develop a strategy for commissioning appropriate and effective services.

The structure and headings of the needs assessment are taken from a draft template for needs assessments that will be used across the city in future. The Child Poverty Needs Assessment has been undertaken as a trial of this template and learning from the process was reported to the Public Service Board.

### 5.1 How was the assessment conducted?

The Government's Child Poverty Unit developed a three tiered model to express the relationship between family circumstances and services in order to reduce child poverty. This was adapted and used locally to gather evidence and also to present the findings of the needs assessment. It is anticipated that this will be used as an approach to develop the local Child Poverty Commissioning Strategy also.

### 5.2 The three tiers are summarised as follows:

- Short-term support that provides immediate solutions to day to day issues around financial matters in relation to earnings and costs of living.
- Medium-term support that meets the needs of parents and carers around skills and training, job availability and childcare.
- Long-term support that gives children and young people the best chance to prosper as adults, such as education, health, targeted family support and support to communities.

5.3 Child poverty is a story of people and place. In order to reduce child poverty it is necessary to understand the complex relationship between individual family needs, the risks they face and the services that are offered to support them. This must also be considered within the context of the immediate community, and the wider economy and dynamics of the city.

## 6. What is new?

There is no known work which brings together the range of family circumstances and services that illuminate the picture of child poverty in the city. The development of the local Child Poverty Commissioning Strategy from the evidence within this needs assessment presents an opportunity to use the principles of Intelligent Commissioning to the full, with the potential to help bring commissioning activity together across service or organisational boundaries.

## 7. What are the findings?

Key findings in relation to child poverty and associated outcomes for families are:

- Severe financial pressures for families attempting to secure adequate family housing, relevant benefits and balance low incomes against the high cost of living in the city.
- A significant minority of parents have low skills and qualifications. These are compounded by unemployment and low wage employment in comparison to high childcare costs in the city.
- Overall educational attainment is below average, with particularly low attainment for specific pupils, most notably from disadvantaged communities.

- Higher than average numbers of young people not in education employment or training (NEET), and lower than average numbers of young people from disadvantaged communities going on to higher education.
- Higher than average numbers of looked after children, with associated increased risks to life chances and costs to services.
- Higher than average numbers of families with a range of risk factors for child poverty, including disabilities, mental health problems, alcohol and drug misuse, and domestic violence.
- Particularly disadvantaged communities where families are living in intergenerational poverty with associated low aspirations.

## **8. The recommendations**

The recommendations of the needs assessment suggest three strategic areas with which to frame effective work to reduce child poverty in the city, focused on partnerships, coordination of services, and shared monitoring arrangements.

### **8.1 Partnership commitment and capacity**

The needs assessment finds that child poverty can only be reduced once families are doing better as a whole. Child poverty is a single, critical outcome by which success against all of the priority themes of the Sustainable Community Strategy could be monitored.

It is recommended, therefore, that the local Child Poverty Commissioning Strategy is developed and adopted by partners of the Brighton & Hove Strategic Partnership in order to embed the commitment to commission services which are proven to improve family circumstances and so too reduce child poverty.

### **8.2 Coordination of Services**

The network of advice services should be effectively coordinated across the city and sectors, building on foundations put in place by the Advice Partnership. The Child Poverty Commissioning Strategy should have a communication element to enable frontline staff across agencies to refer parents and carers to relevant advice and support services.

The creation of jobs within the city should focus on helping local residents into sustained employment. This should be linked to efforts to train parents, and young school leavers, with the relevant skills to enter into secure and appropriately paid work. To this end education and skills partnerships in the city should ensure a coordinated focus on preparing residents for work from childhood through to adulthood.

Education, along with a safe and secure family environment, should frame the personal as well as academic development of children and young people in the city. A focus on aspirations is important too to ensure that all children and young people are encouraged to make the most of the city's social and cultural offer. Efforts should be maintained to deliver more decent family housing through the Housing Strategy and the Strategic Housing Partnership. Intervention should also be coordinated across services and agencies to support families with the most complex needs.

### **8.3 Monitoring Improvement**

It is recommended that coordinated and accurate monitoring underpins service delivery to improve family circumstances. Key service indicators should be monitored and shared

through common systems such as the Brighton & Hove Local Information Service (BHLIS) so that they can be used widely to deliver outcomes beyond service level.

Adult services, and in particular advice services should monitor where clients are parents. This will provide a more accurate picture of the associated risk to children and young people in families where adults require help, alongside the benefits to the whole family of high quality, timely advice.



## **Appendix 3**

### **1. Brighton and Hove Child Poverty Consultation 2011**

Following the completion of the Brighton and Hove Child Poverty Needs Assessment in June 2011 a consultation was undertaken on the findings of the assessment and on draft strategic recommendations for reducing child poverty. Between June and November a range of professionals, organisations, parents and carers and young people replied to the consultation using a variety of methods. The formal consultation is over but information, responses and intelligence from children, young people and families will continue to inform the delivery of the strategic outcomes through the development of a consultative group alongside the proposed Child Poverty Task Group. (Please see the Accountability Diagram at the end of the Brighton and Hove Child Poverty Commissioning Strategy 2012-2015)

#### **1.2 Consultation methods**

- Consultation Portal open September/October 2011  
50 responses
- Survey Monkey by SPIN the Single Parents Information Network  
17 responses
- Community and Voluntary Sector Forum Consultation workshop  
24 attendees from 21 CVS organisations
- Mosaic AGM presentation and question and answer session – approximately  
25 participants
- Child poverty workshop delivered by Brighton Unemployed Centre Families Project (BUFCP) advice team
- Two discussion groups facilitated by the Trust for Developing Communities with young people from Queen's Park ward and Bevendean community respectively.

#### **1.3 Key messages from the consultation**

The biggest general drivers of poverty in families in Brighton and Hove are seen as -

- Low wages and high cost of living
- The cost of housing

### **2. Looking in More Detail at the Short, Medium and Long Term Needs of Families**

#### **2.1 Day to day pressures**

- The cost of living was rated first as a driver of poverty in the electronic consultation followed by debt problems.
- In all the types of consultation responses housing costs was a strong theme. Single parent respondents identified in particular the costs of essential maintenance of the home.
- Everyone taking part in the BUFCP workshop had been made homeless or suffered the threat of homelessness.
- Housing insecurity combined with the financial pressures associated with caring for children with disabilities can produce extreme hardship and stress for families.

*'The difference to the standard of living my family enjoyed before and after having a second, disabled child has been immense. The high number of hospital appointments I have to attend has cost me my career due to employers not being flexible. I continue to work on contract but I have lost my home as I was not able to secure a mortgage. My family has had to move several times due the fact that landlords in this city operate in a thoroughly unscrupulous manner, for example putting houses up for sale within a couple of months of us moving in - I have spent thousands of pounds on moving costs, and lived in 7 homes in 7 years.'*

- Single parents identified rental costs in relation to benefits/low wages as very difficult and fuel inflation as a specific pressure. Food inflation was picked out by both single parent respondents and participants at the Mosaic AGM as of real concern and causing hardship.
- Cost of school uniforms, trips and activities was a common theme for both young people and parents and carers.

*'The cost of uniform, trips, sports activities were so prohibitive that she and her 5 siblings learnt just to lose notes or invent reasons why they couldn't participate'*

## **2.2 Medium term challenges to families**

- Low paid work and unemployment are rated highest as drivers of poverty in the electronic consultation closely followed by the cost and affordability of childcare and skills and training.
- Childcare was identified in the BUCFP discussion as a critical plank for reducing poverty along with secure housing.
- The cost of working was identified as a significant barrier for parents and carers, in particular the cost of travelling to work.

*'Often going to work cost so much that work was not worthwhile as a result of expensive private rents and travel; bus fares have just gone up and many cleaning jobs mean travelling in early hours, at the most expensive time of the day'*

*'Communities in Woodingdean and Moulsecoomb were especially disadvantaged. One pregnant woman, working for an agency as a cleaner, described how she had to walk to Woodingdean and back to keep in touch with her family.'*

## **2.3 Long term prevention**

- Parents with low aspirations and intergenerational poverty were the top two long term challenges from the electronic consultation followed by poor educational achievement and poor family health and wellbeing.

- Respondents were generally less willing to rank the areas of change that would reduce child poverty over the long term but rather felt that it was the interconnectedness of issues that was important.

#### Support for parents

Supporting parents to develop high aspirations for their children and supporting those families with complex problems rated the highest as positive drivers of change. Access to full disability benefits, being free of domestic violence, managing health conditions and managing addiction were also identified as important.

#### Support for children

This section of the consultation was much more evenly ranked across all areas of support with the emphasis on children and young people achieving in training/work, being free from violence, achieving in their early years and through their education and developing excellent aspirations.

#### Single Parent Survey

The SPIN survey asked slightly more detailed set of questions of single parents registered with the Network. Given single parent families are such a high proportion of all family types living in poverty in the City, this survey, although small warrants a specific mention.

The survey showed a high percentage of parents responding feel stressed as a result of ill health with consequent impacts on their children.

Specifically -

- 35% Reported having experiencing violence previously
- 23.5% Reported experiencing violence from a parent who no longer lives with them.

When asked what makes it difficult for children and young people to do well at school -

- 35% Reported no place to do homework and quiet study
- 82% Struggle to provide the money for school trips and activities
- 53% Reported a need for money to help with study aids
- 47% Reported a need for money to help with computers and internet access
- 47% Reported a need for extra help with homework clubs in different locations or youth centres.

### **3. Young People's Discussion**

Two discussion groups facilitated by the Trust for Developing Communities discussed in particular the pressures impacting upon educational achievement.

When asked what makes it harder to do well in school the young people reported:

#### **3.1 Emotional Issues**

- Bullying in school effects education and confidence. School need stricter bullying strategies.

- Media and Teachers put too much emphasis on doing well. i.e. using the current difficulty of getting a job/job prospects as a reason, which worries young people

### **3.2 Costs of education**

- Bus fares too expensive. Some children have to walk along way and leave very early to get there/ Already tired after walking to school early/
- Poor families/children miss out on educational opportunities because the school trips are too expensive – can lead to bullying as poorer children are 'singled out' by what they can afford.
- School uniforms too expensive especially if more than one child needing constant uniform.
- Celebrities/media portraying bad/mixed signals to young people i.e. girls think they can grow up and be a 'celebrity' and that is a job!

### **3.3 Teaching**

- Mixed signals from teachers 'swearing' in front of pupils – better role models.
- When there are too many people in your classroom it's hard to ask for/get help
- When your teachers don't give you any feedback/boring teaching styles

### **3.4 When asked their top five things which would help children living in poverty in Brighton & Hove one group listed:**

1. *Cheap or free clubs and activities*
2. More decently paid jobs for parents and young people
3. Cheaper transport to get about the City and get more involved in leisure and culture
4. Better housing and better outdoor spaces in your neighbourhood
5. Safer families and communities

### **3.5 When asked what would help pupils do better at school one group identified:**

- Zero tolerance on bullying with more mediation and support for victims
- More access to affordable educational trips

## **4. Child Poverty Consultation Community and Voluntary Sector Forum Workshop**

- 4.1 Much of the workshop response follows the priorities identified above with the exception that workers from the community and voluntary sector were more likely to identify drug and alcohol misuse as a driver of poverty than those responding in the electronic survey.

4.2 The third sector professionals however spent some time thinking about how services can better support children and families living in poverty.

They identified a number of actions to improve service outcomes the key ones of which are listed here –

- The importance of services for young people
- We need a better way to measure long term impacts and a funding structure that recognises and values long term outcomes
- We need better sharing of best practice and learning from existing services to counter the emphasis on always chasing the latest innovative project – locally regionally and nationally
- Lack of recognition of the importance of getting grass roots support for work with families in the community
- The importance of not losing services for young people
- The benefits system doesn't always give claimants the whole picture for what they may be eligible
- Lack of coordination between adult services to parents (and their needs as parents) and their children's needs
- Lack of data sharing and joint planning of services between the Department for Work and Pensions and partners
- Need to connect health services more firmly to Council/benefits services/community and voluntary sector services around families
- Better connections between schools and teachers and the broader approach around the family – specific issues around families with disabilities and schools.
- More support between the time when children and young people are identified as children in need and the point at which they (often) return to social/health services as adults and parents.
- Schools finding alternative education options for young people who are disengaged following the pupil.
- Better use of community and voluntary sector organisations to ensure the best outcome in the preventative stages before statutory services need to get involved
- Children and young people's voice in the delivery of services around families
- Adult education settings and schools could make entering education a more attractive prospect for parents with better connections to things like family learning in schools



## Appendix 4

### Portfolio of Good Practice

The Child Poverty Commissioning Strategy focuses on the outcomes and actions that will best both alleviate the effects of poverty on children and young people and, ultimately help to reduce the numbers of families living in poverty.

This indicative portfolio shows some of the excellent work already happening in the City. This is work that has evidence to show it is effective. Most of these services and projects are working towards more specific outcomes than the reduction in the number of families living in poverty, but all of them are contributing positively to this complex overarching outcome.

This is by no means an exhaustive list and inevitably there will be omissions. What the portfolio is intended to do is offer a window into effective services operating within the three tiers of the child poverty pyramid. The three layers of which are;

1. Services supporting families struggling with day to day pressures around debt, benefits and financial inclusion
2. Services supporting parents, carers and young people around skills, training and employment over the medium term
3. Services supporting families over the long term and in crisis that are contributing to improve the long term life chances of children and young people

The following service and project descriptions are ordered similarly across the three layers.

#### 2. Day to day pressures

##### **Brighton & Hove Advice Partnership**

Comprising a wide range of organisations from the national, Citizens Advice Bureau to local organisations such as Brighton Housing Trust and the Money Advice Service 'MACS'. The collective work of the Advice Partnership is wide ranging covering advice legal, housing and homelessness, money and debt, benefit take up and employment rights. It also comprises specialist advice such as support for families with disabilities. In 2010 it was estimated that 17,000 enquiries were made to 15 organisations in the city providing social welfare law advice. More should be done to evidence the impact of receiving high quality advice and information; however there is no doubt that such services are required to an even greater degree during periods of economic downturn and low employment.

##### **Welfare Rights Group**

Helps over 500 families per year to access benefits, deal with debt or housing problems, to access health and healthy living opportunities and services. The Welfare Rights service helps families to maximise their income by take up of appropriate benefits as well as helping them to prioritise and negotiate repayment of debts.

##### **Brighton Unemployed Centre Families Project**

The Centre services provide emotional and practical support as well as providing volunteering opportunities. Families can access a range of much needed services including, childcare, cheap laundry facilities, advice and advocacy, access to computers and phones. They also supply free good quality clothing, bedding and nursery equipment.

Families using the centre regularly report finding the services excellent and it provides critical financial and emotional respite for families suffering great hardships.

### **E-benefits and financial health check for new tenants on housing benefits - Brighton & Hove City Council**

Enables housing benefit claims to be processed within two days of receipt of information. It offers advice around credit union, bank accounts, utilities, budgeting, and low cost furniture and goods.

This service minimises rent arrears at the start of a new tenancy.

All the information needed is provided at the e-benefits interview so it saves double handling by Housing staff and Housing Benefit staff as all the evidence and information is entered onto the system once only.

### **Under-Occupations Team - Brighton & Hove City Council**

This role has increased the number of family sized homes available in the city by supporting and incentivising tenants to move from a property that is larger than their needs. In 2008/9 this work released more than 80 family sized homes.

### **Disability Living Allowance (DLA) project - Amaze**

The Amaze DLA project provides volunteers to support the City's most vulnerable families complete the difficult Disability Living Allowance claim form. The project costs £59,000 and in 2009/10 generated £2million of DLA benefit and £1million of other passported benefits, so for every £1 spent it generates £51 for households with disabled children. An average of £8-12 thousand pounds of extra disposable income per family helps lift these children out of poverty and the family out of fuel poverty.

## **3. Medium term issues of skills, training and employment**

### **Whitehawk Inn**

A community led organisation providing information and advice about learning and work, and a range of support activities for adults. For those who are looking to go back to work the service offer careers advice, employment support and a range of tailored resources. The service works with approximately 700 people a year and is accessible and rooted in the local community. In recent years, the service has increased its focus on supporting those who have experienced long term unemployment, providing additional support beyond statutory provision. Between 2007 and 2010, it supported 200 people back to work. (See Case Studies)

### **The Bridge Community Education Centre**

Provides a centre of learning and support that offers individuals and their community. The centre offers a programme of adult education and a gateway team of advisors who offer support to local residents to gain confidence, skills and training and volunteering and paid work. At a time when funding for adult education is dwindling and the funding focus is on apprenticeships this community based facility with a drop in café and dedicated support services provides an essential first step towards learning and work for those most likely to be living in poverty.

### **Extratime**

This organisations runs after school clubs and holiday schemes to 500 children and young people. Two thirds of children and young people attending have disabilities and special needs and significant numbers have complex needs and very challenging behaviour. By providing childcare to a group of children and young people who would not be able to



access it anywhere else, Extratime is helping those families take up training and/or work which in turn helps raise their families income and standard of living. These families are financially already some of the most disadvantaged because of the additional costs of raising a disabled child or young person.

Extratime has meant the difference between a disabled child being able to stay in the family home as opposed to full time residential care - for one child with complex needs this can equate to £200,000 p.a. for a residential place.

#### **HaKIT – Hangleton and Knoll Project**

The project supports residents to improve their skills, increase their qualifications and enables them to access the internet free. The Hangleton and Knoll project support two fully equipped Community IT rooms. One is located at St Richards Community Centre and the other at Hangleton Community Centre. The Hangleton and Knoll project delivers free IT and Adult education courses from these rooms.

The project also runs three drop-ins a week one at Hangleton Library and two at St Richards. These allow people to get the help they need to use technology and residents often turn up with phones and laptops and the tutor and volunteers help them get started.

#### **Healthwalks Training and Volunteer Programme - Brighton and Hove City Council**

Healthwalks Volunteer Walk Leader training provides the knowledge and skills to lead the 14 weekly healthwalks and to encourage and support other local people to walk more. The one day training is free and 50 local people are trained each year. This programme increases volunteer opportunities for residents in the city and provides opportunities for residents to gain experience that will support their future employability.

## **4. Long term life chances for children and young people**

Early Years Foundation Stage Programme – Brighton & Hove City Council and Early Years Education Providers

The Early Years Foundation Stage profile describes a child's development and learning achievements at the end of the academic year in which they reach the age of five. It is based on ongoing observation and assessment in six areas of learning. The pupils in Brighton and Hove continue to achieve much higher than the national outcomes for all pupils. This is a result of the high quality of provision across the city as evidenced in the outcomes from the Ofsted reports.

Targeted support is offered to schools and individual children who are at a risk of underachieving. There are specialist services for children with additional needs and English as an Additional Language. Crucially for pupils living in the 20% most deprived areas the gap between their attainment and that of all pupils is reducing markedly.

Family Learning Programme - Brighton & Hove City Council

Parents are supported to both improve their children's learning and to engage in adult training for their own progression. This externally evaluated programme supports a number of key outcomes for reducing child poverty. It has both a focus on early intervention to support children's learning and a focus on developing adult skills for parents.

#### **Families and Schools Together (FAST) - Brighton & Hove City Council & Schools**

This is one of the few programmes that show an impact across a wide range of outcomes both in terms of engaging parents with their children's education and raising attainment and improving behaviour in school. Targeted families are supported to engage more confidently with school and their children's learning and to create an informal support

network between parents. In the local pilot of the FAST programme based at Fairlight Primary school the improvements in attainment of children whose families engaged in FAST were marked.

### **Functional Family Therapy (FFT) - Brighton & Hove City Council**

An assertive outreach model that works with difficult to engage families, where there are high levels of conflict/distress and a young person is likely to be involved in offending or at risk of becoming looked after. Providing FFT to 100 children and young people as a successful alternative to foster care costs £200,000 annually against an estimated saving of £3.5 million in looked after costs.

On average the programme is estimated to have a benefit to cost ratio of 7.5:1 to 13:1

### **Triple P Programme - Brighton & Hove Council**

Triple P is a system of easy to implement, proven parenting solutions that helps solve current parenting problems and prevents future problems before they arise. It has been delivered extensively in Brighton with well evidenced results. Evaluation of the Triple P in Australia shows that Triple P has the potential to avert at least 26% of cases of conduct disorder with one case of conduct disorder estimated to cost from £75,000 to £225,000 in large lifetime costs.

### **The Compass Card – Amaze and participating partner services**

The Compass Card provides over 30 offers of free and discounted access to local leisure and cultural opportunities and sports facilities and activities. It is available to children and young people registered on the Amaze disabled children's database and is highly valued by 1,400 families using it. This is due in part to the significant financial savings it provides and also because they know that the organisations which accept the card will provide a safe and inclusive welcome to their children.

### **The Active for Life Project - Brighton & Hove City Council**

The project develops and delivers affordable sport and physical activity opportunities within communities to increase participation levels and improve the health and well being. Community need is reflected and specific programmes are tailored accordingly. This programme includes:

Fit and Fun Families Sessions - providing low cost physical activity opportunities to local families, giving the parents the skills & confidence to play games with their children and to encourage young people between the ages of 5-11 to take part in an after school physical activity with their parents.

Football Fun - For 3 – 5 year olds and their parents.

Soup & Stomp - Free half term holiday health walks for parents with their children, which also includes making a healthy soup before the walk with the food partnership.

Holiday referral places – subsidised places for children on holiday courses

### **Safe and Sorted - Sussex Central YMCA**

A youth advice drop-in for 10-25yr olds based in Moulsecoomb

The service works with young people requiring support on a range of issues including; health, education and employment, sexual health, substance misuse and housing. In 2010 the service worked with 243 young people requiring intensive support and had 1880 contacts with young people. Detailed evidence shows this service is effective in supporting young people to stay safe, improve their health and improve their opportunities to progress in life. (See Case Studies)

### **Youth Offending Service - Brighton and Hove City Council**

The service works with young people and their families from the prevention end through to custody in order to reduce offending behaviour and all the problems associated with that. At least 90% of the young people the service works with have experienced some form of loss in their lives, including: death of a parent, parents emotionally unavailable, domestic violence, drug and alcohol abuse, being taken into care, exclusion from school etc. Often what is underpinning these factors is poverty – both material and emotional. Where parents are involved we work with them on their parenting and help them develop strategies to cope.

The shorter term outcome from the service is less young people coming into the Criminal Justice system: first time entrants have reduced from 611 in 2006 – 7 to 171 in 2010 – 11. This is a tribute to the strong partnership work between the police and the YOS.

### **Family Link - Safety Net**

A personalised support package for approximately 80 families a year delivered through the early intervention home visiting service working in partnership with primary schools across east Brighton. Identifying a family's needs and developing an action plan to address these. Needs include finance debt and supporting families in accessing specialist dept management, benefits advice as well as a range of other issues impacting on family life. Alongside this intensive support the service also supports approximately 500 families a year with disabilities to resolve problems related to benefit, housing and education via a telephone service.

In a 2011 external evaluation the project interviewed 26 families. 73 % said they felt better off 50% said they had taken up volunteering, 26% had taken up training, and 25% entered work

### **RISE**

An independent, registered charity providing services for women, children and young people affected by domestic abuse. Every year RISE supports over 800 women and their families through a range of services offering crisis support, community and therapeutic support and specific services for children and young people. Parents and children experiencing domestic violence can face severe poverty issues with major disruptions to housing, work and family. Providing support to both enable a parent and their children to survive the violence and rebuild their lives, saves lives, reduces poverty in the short and medium term and supports the long term life chances of children and young people. (See case studies).



<b>Subject:</b>	<b>Risk Management Strategy 2012</b>		
<b>Date of Meeting:</b>	<b>9 February 2012</b>		
<b>Report of:</b>	<b>Director of Finance</b>		
<b>Lead Cabinet Member:</b>	<b>Leader</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Jackie Algar</b>	<b>Tel: 29-1273</b>
	<b>Email:</b>	<b>jackie.algar@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>No</b>	<b>Forward Plan No:</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

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

- 1.1 This report sets out a new Risk Management Strategy for 2012, which is intended to provide for the next three years, to replace the current Risk & Opportunity Management Strategy 2008 – 2011.
- 1.2 Approval for the Risk Management Strategy is the responsibility of Cabinet, ongoing monitoring of the effectiveness of actions to deliver the Strategy is the role of the Audit Committee.

**2. RECOMMENDATIONS:**

- 2.1 That Cabinet approve the Risk Management Strategy 2012.
- 2.2 That Cabinet delegate authority to the Director of Finance to alter the Risk & Management methodology as necessary so that the Risk Management Strategy is kept up to date with changing requirements and best practice.

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

- 3.1 Risk Management forms a key component of the council's overall governance arrangements. Brighton & Hove City Council ("the council") has practiced Risk Management since its formation as a unitary council in 1997. The more recent approach was set out in the Risk & Opportunity Management Strategy 2008 - 2011.
- 3.2 This full review of the council's approach needs to take into account the significant changes which impact on the council and its operating environment, including:
  - Government change and policy direction;
  - Significant organisational change – both within the council and other organisations;

- Enhanced need to explore potential for alternative means of public service delivery;
  - Recognition of increased need to prioritise, use and channel available resources appropriately to provide outcomes for the local community.
- 3.3 The Strategy will work towards achievement of the international standard for risk management, ISO 31000, which defines risk as the “*effect of uncertainty on objectives*”, and further expands that “an *effect* is a positive or negative deviation from what is expected.”
- 3.4 Some aspects of the council’s approach have not altered, such as:
- the methodology employed, which is widely used and understood;
  - integration of risk management into existing processes and frameworks;
  - continuing to use risk management to support the approach to managing both negative risks (such as threats or issues which could prevent achievement of objectives) and positive opportunities (such as those connected with innovation and working with others creatively to achieve objectives).
- 3.5 The main changes are to update the roles and responsibilities for risk management to reflect the council’s structure and implementation of commissioning. This is contained in Element 1 of the Strategy.

#### **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 The work to establish Risk Management as a key element of the council’s Performance & Risk Management Framework has involved cross-discipline work and through work on the City wide Risk Register has involved consultation with external partners. Risk Management is a key part of Commissioning and Partnership Commissioning Strategies and will be available to all parties who work with the City Council.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 5.1 The Risk Management Strategy will assist the authority to comply with Corporate Governance Standards and will contribute to authority’s control and risk management assessment for the Annual Governance Statement within the Financial Statements.

The Risk Management Strategy will support the city wide Performance & Risk Management Framework.

*Finance Officer Consulted: Anne Silley*

*Date: 11/01/2012*

Legal Implications:

- 5.2 There are no legal implications arising directly from this report. However effective risk management systems will enable better identification of legal risks, promote their effective management and therefore minimise the council's exposure to potential liability.

*Lawyer Consulted:*

*Oliver Dixon*

*Date: 15/11/2011*

Equalities Implications:

- 5.3 The council's operating model puts customers at the heart of our activities. The Risk Management methodology includes consideration of and a process to manage equalities implications.

Sustainability Implications:

- 5.4 Sustainability means protecting and enhancing the environment, meeting social needs and promoting economic success and risk management will be applied to each of these.

Crime & Disorder Implications:

- 5.5 There are no direct Crime & Disorder implications.

Risk and Opportunity Management Implications:

- 5.6 The Risk Management Strategy is focussed on improving the quality and consistency of risk & opportunity management of the council's activities

Public Health Implications:

- 5.7 The Risk Management methodology accords with that used by the NHS and is used to inform public health decision making and projects.

Corporate / Citywide Implications:

- 5.8 There are no direct citywide implications.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 The city council could decide to simply refresh and extend the existing Risk and Opportunity Management Strategy (2008-2011) approach but this would not reflect the structure of the council and the challenges of the current time.
- 6.2 The city council could decide not to have any approved Risk Management Strategy but this would not accord with best practice for corporate governance.

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The Risk Management Strategy sets out the council's approach to managing risk and uncertainty so that it is understood and applied to contribute to more successful outcomes and delivery of council objectives.
- 7.2 As the Risk Management Toolkit will be continually updated as a result of developments, needs and user feedback, delegated authority is sought for the Director of Finance to alter it as necessary.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. None.

### **Documents in Members' Rooms**

1. Risk Management Strategy 2012.

### **Background Documents**

1. International Standard 35000 Risk Management.





# **Risk Management Strategy**

## **For Managing Risk and Uncertainty**

### **2012**



## 1. Introduction

Brighton & Hove City Council (the “Council”) operates within a complex and dynamic environment. There are a number of key changes which are affecting the Council (“the Council”) and the public sector more widely that have direct implications for the management of risk and the achievement of the Council’s corporate priorities. These include:

- A challenging national economic climate;
- Major changes to the funding and organisation of public services;
- The impact of wider government policy and legislative change;
- Reforms to the regulation and assessment of public services;
- Significant organisational change – both within the council and other organisations that the council works work;
- A focus on prioritising limited resources based on need to meet agreed outcomes for the city.

The Risk Management Strategy 2012 is intended to provide for the next three years, 2012-2015, but is dynamic and will be subject to continuous review. It is designed to better reflect these circumstances and to apply a robust, systematic and documented process so that the council’s approach to both negative risks (such as threats or issues which could prevent achievement of objectives) and positive opportunities (such as those connected with innovation and working with others creatively to achieve objectives) is properly managed and overseen. In this way, the Risk Management process supports the Council in achieving its corporate priorities and is an integral element of good corporate governance . Better risk management will result in better outcomes for the City. .

The Council has a track record of good risk management and innovative service delivery initiatives. It has successfully embedded risk management into its business and activities. The Council recognises that maintaining a dynamic risk aware culture is vitality important as it continues to go through a period of significant change.

The council’s approach and strategy incorporates best practice for risk management and aims to promote a positive risk awareness culture to support the achievement of the Council’s priorities<sup>1</sup>:

- Tackling inequality
- Creating a more sustainable city
- Engaging people who live and work in the city
- A responsible and empowering employer
- A council the city deserves

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<sup>1</sup> Brighton & Hove City Council Corporate Plan 2011-15

Also those which have been agreed with the Local Strategic Partnership in the Sustainable Community Strategy.

The Council has taken the positive step of integrating the systematic identification and management of risks through Performance & Risk Management Framework into its Service and Financial Planning process.

The Council's Corporate Plan 2011 – 2015 expresses it as follows:

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

### **Aims of the Strategy**

- To bring consistency in understanding what risks the Council, and other organisations the Council works with, face in delivering services for the city.
- To identify and prioritise risks and plan to deliver improvements to mitigate negative risks or enhance positive opportunities so that the Council's objectives are achieved.

### **Our Risk Management Approach**

To accord with best practice the Council's approach aims to get the right balance between innovation and change on the one hand, and the avoidance of shocks and crises on the other. This is why Risk Management can also be referred to as ROM (Risk & Opportunity Management).

This supports working towards achievement of the International Standard ISO31000. The ISO31000 definition of Risk is:

***“the effect on uncertainty on objectives”***

and further expands that

***“an effect is a positive or negative deviation from what is expected”.***

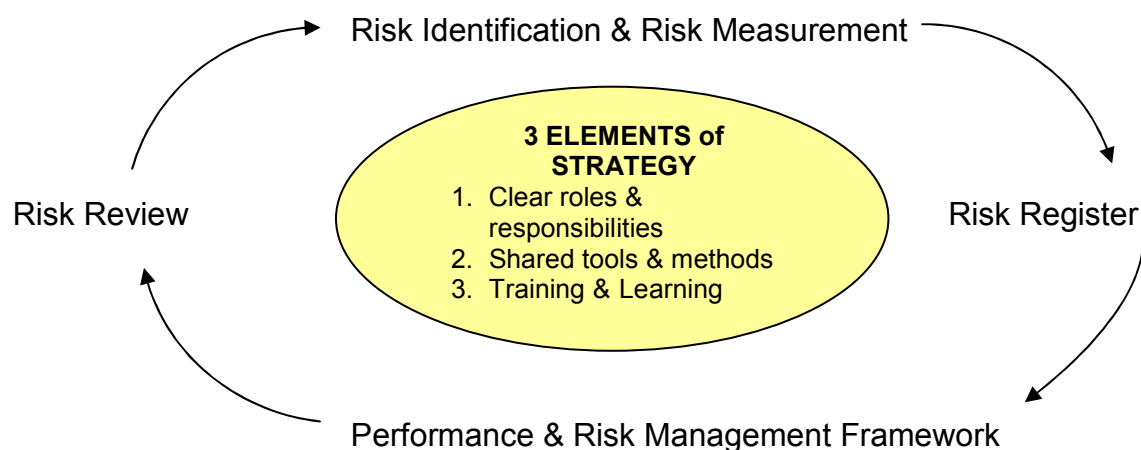
The approach to be taken in the 2012 Risk Management Strategy will be to continue to:

- embed risk management into the culture of the council by integration into existing processes and frameworks to enable management of uncertainty in a systematic, effective and efficient manner<sup>2</sup>;
- recognise good practice and expertise of related risk disciplines, e.g. civil contingencies planning, financial planning including insurance, health and safety and sustainability;<sup>3</sup>
- work with others outside of the organisation to share, improve and update our processes to either anticipate and/or respond to changing operating environments and requirements.

The Council believes risk needs to be managed rather than avoided and will be proactive to ensure it takes an acceptable level of risk. The amount of risk the Council is prepared to accept or be exposed to (its risk appetite) will vary according to the perceived significance in terms of timing as well as legislative constraints.

### ELEMENTS OF THE RISK MANAGEMENT STRATEGY

These elements support delivery of the Risk Management process as set out in the diagram below:



Some risks will always exist and can never be eliminated; they therefore need to be appropriately managed. This Strategy sets out how the Council will:

- Establish clear roles, responsibilities within the council for Risk Management as part of the Council's decision making and operational management processes, e.g. Service/Business Planning, Commissioning, Project Management, Partnerships and Procurement processes (**Strategy Element 1**)
- Provide a shared methodology which can be used to ensure common standards and an understanding of risk management to provide an overview of risks to which the Council is exposed (**Strategy Element 2**)
- Reinforce the importance of effective management of risk through training and provision of opportunities for shared learning (**Strategy Element 3**)

<sup>2</sup> The Council's Performance & Risk Management Framework is an example

<sup>3</sup> The Council's Risk Management Steering Group, an informal group chaired by the Risk Manager, which meets at least four times a year, includes representation of these disciplines

## **Strategy Element 1 – Roles & Responsibilities for Risk Management**

The Risk Management Strategy 2012 sets out the roles and responsibilities for risk management in the Council so that:

- √ everyone knows how they contribute within the Council wide framework to understand and manage risks at the level which applies to them so that the Council's exposure to risk is within its acceptable limits
- √ risks, both "downside" threats or "upside" opportunities, are appropriately managed at least in accordance with specified roles and responsibilities or, if beyond the individual's direct control, they are "escalated" to the management level above
- √ Ensure that the identification of risks is an ongoing task and aligned with business planning and performance management arrangements

Those with a responsibility to manage risks (either a person or a group) are also known as "Risk Owners", they have authority to ensure that action in response to risk is appropriate.

On the next page is a table setting out details of roles and responsibilities for risk management. It is not significantly different from the previous risk management strategy or practice but better reflects the current structure and operating model of the Council.

<b>Roles &amp; Responsibilities for Risk Management</b>	<b>How</b>
<b>All Staff and Risk Owners delivering a particular service or business objective (including Corporate Management Team)</b>	
<ul style="list-style-type: none"> <li>* Achievement of agreed objectives within legal and budgetary boundaries*</li> <li>* Proactive risk &amp; opportunity management in their day to day activities</li> <li>* Agree resource allocation within their allowed boundaries</li> <li>* Identify the need for escalation of negative risks through the reporting process</li> </ul>	<ul style="list-style-type: none"> <li>* Through ownership of a service plan with integrated risk register</li> <li>* Through ownership of a project plan and associated risk register</li> <li>* Make use of the comprehensive risk management information on the Council's intranet and access training to assist them in fulfilment of their responsibilities</li> <li>* Scheduled progress meetings, e.g. with manager; Commissioner of Services; project board to report progress towards achievement of objectives &amp; management of risks</li> </ul>
<b>Risk Owner for organisations delivering services for, or with, the Council e.g. contractor/supplier/partners</b>	
<ul style="list-style-type: none"> <li>* Comply with their own organisation's risk management arrangements</li> <li>* Achieve objectives agreed with the Council *</li> </ul>	<ul style="list-style-type: none"> <li>* Provide evidence of organisation's risk management arrangements</li> <li>* Scheduled progress meetings</li> </ul>
<b>Strategic Leadership Board (Chief Executive, Strategic Directors and Director of Finance)</b>	
<ul style="list-style-type: none"> <li>* Manage the strategic risks faced by the Council, including in its partnership work</li> <li>* Responsible for reviewing the strategic risk register at least six monthly and management action plans to address risk</li> <li>* Provide the leadership and support to promote a culture in which risks and opportunities are managed with confidence at the lowest appropriate level</li> </ul>	<ul style="list-style-type: none"> <li>* Risk Owners to review, or delegate responsibility for the purposes of reporting to Councillors and the Audit Committee</li> <li>&amp; Ensure that any significant approved new project or changes have appropriate risk management arrangements</li> </ul>
<b>Councillors</b>	
<ul style="list-style-type: none"> <li>* Require the Risk &amp; Opportunity Management paragraphs in reports submitted for decisions making to be completed and satisfy themselves on the information contained</li> </ul>	<ul style="list-style-type: none"> <li>* Make use of the comprehensive risk management information on the Council's intranet and access training to assist them in fulfilment of their responsibilities</li> </ul>
<b>Council Elected Member Leadership (e.g. Cabinet)</b>	
<ul style="list-style-type: none"> <li>* Approve the Risk Management Strategy</li> <li>* Require the Risk &amp; Opportunity Management paragraphs in reports submitted for decisions making to be completed and satisfy themselves on the information contained</li> </ul>	<ul style="list-style-type: none"> <li>* Make use of the comprehensive risk management information on the Council's intranet and access training to assist them in fulfilment of their responsibilities</li> </ul>
<b>The Audit Committee</b>	
<ul style="list-style-type: none"> <li>* Ensure independent assurance of the adequacy of Risk Management and the associated control environment</li> </ul>	<ul style="list-style-type: none"> <li>* At least annually receive the strategic risk register, and reports on risk management arrangements, Risk Management Programme and progress</li> <li>* Where it considers it appropriate, make recommendations to Council Elected Member Leadership Group</li> <li>* Engage in Risk Management to increase their knowledge and understanding</li> </ul>

## **Strategy Element 2 – Shared methodology for risk management**

Many of the Risk Management tools and methods have not been significantly changed during production of this new Strategy, but rather they are continually revised to reflect the most up to date operating context for the Council and best practice developments.

The Council's process has a series of well defined steps to support sound decision making through understanding of risks, whether a positive opportunity or negative threat and their likely impact.

The methods used to identify, prioritise and manage risks have not changed as they have been effective, are widely used and understood and have been developed with NHS and partners connected with delivering the Civil Contingencies Act 2004.

The Risk Manager consults on and seeks approval from the Audit Committee for an annual Risk Management Programme for the Council to detail the key strategic actions, improvements and developments to the Risk Management process. At year end, a progress review of achievements for the annual programme is submitted to assist the Audit Committee.

By continuing to develop a common understanding, and practice of risk management, the following benefits will be achieved to help deliver the Council's objectives:

- \* the "risk appetite" for services delivered by or in connection with the Council is consistently understood (i.e. the level of risk that is acceptable) and escalation of risks to the management or decision-making level above is carried out in an ordered way;
- \* risk registers are completed for significant and high risks to enable an overall picture of risk exposure whether through direct service provision or in conjunction with other parties;
- \* decision-makers may be assured that the strategic objectives of the council, including related objectives of its partner organisations, external parties or business partners, stand a good chance of being successful;
- \* managers and staff are equipped to identify, record, escalate, monitor and self-audit risks.

There are 3 Steps of the Risk Management Process:

- 1) Risk identification
- 2) Risk measurement
- 3) Risk registers

Once actions have been agreed and set out in the risk registers, they will be incorporated into the usual planning and performance management processes.

## Step 1: Risk Identification

Related Tools available on the Intranet ( "the Wave" )

- 1) Risk Category Checklist
- 2) ROM Quick Analysis Tool

**Risk Management starts with being clear on the objective to be achieved and then identifying risks which could affect achievement of that objective. The Risk Categories checklist below is used to prompt identification of risks or issues (*new additions are denoted in italics*).**

<b>Risk Categories Checklist</b>
Professional/Managerial/Partnerships – Recruitment/Retention of qualified staff; <i>Capacity</i> ; Investing in Training; Skill mix; Over reliance on key officers; Ability to implement change; Management of partnership working
Economic/Financial – Impact of national economic position; Failure of major project(s); Missed business and service opportunities; Failure to prioritize, allocate appropriate budgets and monitor; Inefficient/ineffective processing of documents.
Social – Meeting the needs of disadvantaged communities; Tracking the changes in population base; Employment opportunities; Regeneration; Partnership working; Life-long learning.
Technological – Functionality and reliability of IT systems – impact on service delivery; Data security issues; Inability to implement change; Obsolescence of technology; Technology strategy.
Legislative – Meeting statutory duties/deadlines; Breach of confidentiality/Data Protection Acts requirements; European Directives on Procurement of Services; Implementation of legislative change.
Physical – Human Resources issues; Loss of intangible assets (e.g. intellectual property); Health and Safety; Loss of physical assets (e.g. damage to property as a result of fire or theft).
Contractual/Competitive – Over reliance on key suppliers/contractors; Ineffective contract management; Contractor failure; Lack of existing markets.
Equalities – Workforce Composition – across all persons who provide a service on behalf of the council and its partnership work; Appropriate recognition of the diversity of Service Users/Customers, e.g. age, ethnicity, gender, disability, religion; Ensuring consistent minimum standards to meet legislative duties (incl. training, sharing policies & best practice); Altering working practices as necessary to meet diverse needs and ensure no discrimination; Ability to demonstrate equalities in action (incl. monitor, evaluate and review).
Political – Impact of Strategic Priorities on business activities; Clarity & cohesion in decision making; Impact of Central Government policy on local policy/local initiatives.
Environmental/Sustainability – Energy use (efficiency), energy costs, energy supply; <i>Climate Change considerations</i> ; Waste Management – correct disposal, hazardous waste; Waste reduction and recycling issues; Noise and street scene implications; Pollution control, air pollution, spillages; Water conservation; Transport implications.
Practice & Clinical Issues, including Clinical Governance – Practice issues; Patient Safety; Clinical Governance; Clinical Procedures; On-going professional development; Loss of key clinical staff.
Customer/Citizen – Appropriate consultation; Quality customer care; Access to services; Views of Service Users and/or viewpoint of patients; Political support, e.g. Members of city council.
Fraud & Corruption – Appropriate segregation of duties; Security of data <i>and other assets</i> ; Hospitality/Gifts Policy, Record Keeping and Monitoring; Trends of working (e.g. usual lone or late working) or sickness absences (potentially fraudulent); Verification/Validation checks e.g. before staff/contractor appointments/cash transactions.

## Step 2: Risk Measurement



**Related Tools available on the Intranet ("the Wave")**

**3) Risk Matrix**

**4) Risk Descriptor Guidance (to help "score" Likelihood and Impact of each risk)**

Risks are assessed on their impact and likelihood of occurrence. This involves allocation of a "Likelihood" and an "Impact" score to each one (use the risk matrix).

	MOST LIKELY <b>IMPACT</b> (if in doubt grade up not down)				
<b>LIKELIHOOD</b>	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost Certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Almost Impossible (1)	1	2	3	4	5

All risks should be quantified by using a standard form of measurement. The use of a basic 5 by 5 calculation where exposure to risk is measured based on the multiplication of likelihood and associated impact, i.e. if a risk has a very high likelihood and a very high impact it will receive a combined rating of 25. This is known as the "initial" risk score (sometimes called the "Inherent" risk score).

This is the approved method which applies across most public sector organisations, such as the Council, the NHS and organisations connected with the Civil Contingencies Act 2004.

The Risk Appetite (the amount of risk that the council is willing to accept) of the council, unless specified differently by decision makers (e.g. a project board) is determined by the colour coding, and the actions to take are set out below.

The Risk Matrix contains guidance on what action should be taken according to the initial Risk Score.

<b>1 - 3</b>	<b>4 - 7</b>	<b>8 - 14</b>	<b>15 - 25</b>
<b>Low</b>	<b>Moderate</b>	<b>Significant</b>	<b>High</b>
<b>Monitor periodically</b>	<b>Monitor if the risk levels increase</b>	<b>Review &amp; ensure effective controls</b>	<b>Immediate action required &amp; need to Escalate to the management level above</b>

### **Step 3: Risk Registers**

#### **Related Tools**

##### **5) Risk Register available on the Intranet ( "the Wave" )**

How successful we are in dealing with the risks we face can have a major impact on the achievement of our key priorities and outcomes.

The Risk Registers set out the existing controls that relate to the risk as most are already subject to some degree of management. This helps the council set a more realistic or "real" prioritisation of the issues by assignment of a residual risk score. This means effort and resource can be targeted to mitigate or manage the risk and actions with responsibilities and target dates being set out in the Risk Register (see format of Risk Register on next page). Through this re-assessment of priority scores (using the "Residual Risk Score") further work or "solutions" can be planned to address the risk until it reaches an acceptable level (i.e. within the risk appetite set).

This is one of the key benefits of Risk Management, i.e. to prioritise, assess the existing deployment of resources, whether it is effective and to influence future deployment of resource (e.g. money and effort).

As not all risks are priorities, and risks will always exist, having identified and measured risks one of the following proportionate actions (the Risk Strategy for the particular issues) can be selected:

- Treat the risk – agree an action to manage the risk to an acceptable level
- Transfer the risk – possibly by purchasing additional insurance or bonds
- Terminate the risk – stop the current system or process and introduce a new system
- Tolerate the risk – if nothing reasonable can be done to control the risk because it may be out of the service or the Council's sphere of influence

Actions from Risk Registers, with details of key dates and individual responsibility for action should be integrated into service plans and project plans. Appropriate review is needed to keep the risk register current. Each risk owner will need to have a securely retained copy of the register and a clear history of changes made as risk registers may be requested at any time by decision makers, project boards, the Risk Manager, Internal or External Auditors or any interested parties in the interest of openness & accountability.

## Risk Register Format

Risk No.	Reference link (i.e. Service Objective No. or Strategic Risk)	Risk Description	Potential Consequence	Initial Likelihood (L) Risk Score	Initial Impact (I) Risk Score	Mitigating Controls & Actions	Controlled Likelihood (L) Risk Score	Controlled Impact (I) Risk Score	Controlled Risk Score	Risk Action Owner	Further "Solutions", i.e. actions/ controls  (these represent "work that needs to be done to be included as Key Actions in Business Plan)	Target Date	Risk Strategy  select one: * Transfer * Treat * Terminate * Tolerate
<b>Example line follows for guidance</b> – add as many rows as you need to this table to record a comprehensive risk register. There are a number of ways to do this but the easiest is to move to the end cell and press the tab key.													
Assign a unique number	Detail the particular service objective no. or Strategic Risk, if relevant	Summarise what it is that you think could prevent achievement of your objective	Summarise what could happen and detail the impact on outcomes	Use the Risk Matrix	Use the Risk Matrix	List existing processes/Mitigations/ Controls that are in place to manage the risk	Use the Risk Matrix	Use the Risk Matrix	Multiply L x I and check Risk Matrix	Record name of a colleague in your unit	List further actions that you have planned or realise that you need to take AND add these as Key Actions in your Business Plan	Completion date for this action	

Strategy Element 3 - Reinforce the importance of effective management of risk through training and provision of opportunities for shared learning

The Council's Risk Manager is charged with providing active support and training by:

- Providing advice on risk and opportunity management to assist those with responsibility for Risk Management through the Learning & Development training programme and individual's use of the extensive intranet (Wave) pages and the ROM e-learning programme;
- Helping others to understand what risk is and reinforcing the opportunities that risk management can present;
- Facilitating risk identification, assessment and mitigation through facilitated risk workshops or topic sessions which offer groups and/or individuals an opportunity to learn about risk management and apply it to a real situation which needs attention;
- Ensuring that a consistent approach to risk management is applied, including a common understanding of terminology and definitions.

For details or for advice, search on the Council's intranet ("the Wave") under "risk & opportunity" or contact [jackie.algar@brighton-hove.gov.uk](mailto:jackie.algar@brighton-hove.gov.uk). Overall accountability for risk management rests with the Director of Finance.

<b>Subject:</b>	<b>Circus Street Revised Scheme</b>		
<b>Date of Meeting:</b>	<b>9<sup>th</sup> February 2012</b>		
<b>Report of:</b>	<b>Strategic Director, Place</b>		
<b>Lead Member</b>	<b>Cabinet Member for Planning, Economy, Employment &amp; Regeneration</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Max Woodford</b>	<b>Tel: 293451</b>
	<b>Email:</b>	<b>max.woodford@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes</b>	<b>CAB8684</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

FOR GENERAL RELEASE

**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 This report outlines the potential changes to the 'Grow Brighton' regeneration scheme at Circus Street. There is an accompanying Part 2 report seeking approval to 'heads of terms' for a revised development agreement that encapsulates commercial and financial amendments to the deal as well as the revised base scheme. The Council's involvement relates to both a land interest in the form of the former fruit and vegetable market plus the Kingswood Street Car Park, which has been anticipated to generate a capital receipt, and also the regeneration of the site for the benefit of the City. The revised scheme reflects the realities of development viability in the current economic climate. Whilst the scheme is true to the broad vision of that previously agreed, the mix of uses is slightly amended.

**2. RECOMMENDATIONS:**

- 2.1 That Cabinet notes the proposed revisions and continued benefits to the 'Grow Brighton' project at Circus Street as set out in paragraphs 3.3 to 3.10 and considers the recommendations in the Part 2 report.

**3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:****The Original Proposals**

- 3.1 Cathedral have been selected as preferred developer for the Circus Street site by the development partners (the city council and the university) following a two stage bidding process. Representing an c.£80m investment in the city, there are considerable social, economic and regeneration benefits identified in the scheme proposed by Cathedral. Dubbed 'Grow Brighton,' their scheme is based around a single legible public open space, book ended by striking buildings – a new university library to the south and mixed-use accommodation to the north. The scheme considers the public realm beyond the site and would improve permeability and pedestrian accessibility, as well as providing a new public event square.

- 3.2 In April 2007 – at the height of the market – the three parties signed a Development Agreement for the site. Following the signing of the Development Agreement there was a period of further work aimed at investigating design, planning and right to light issues to ensure the scheme could be submitted for planning. It was whilst this work was ongoing that the ‘Credit Crunch’ began to take effect, with the first impacts being felt on the property development market, in particular market-led schemes which relied on housing to bridge gaps in viability.

### **Revised Proposals from Cathedral**

- 3.3 The city council have worked proactively with Cathedral and the university in the past few months to move this project on and have explored all the options available to try to ensure that the project can be delivered. The Part 2 report outlines the key financial and commercial changes and encapsulates them in Heads of Terms to revised development agreement.
- 3.4 The requirements of the lenders willing to fund development projects have changed drastically. The expectation is now that projects are de-risked as by ensuring there are sufficient pre-lets and pre-sales to cover the peak borrowing requirement. To reflect this Cathedral are proposing minor alterations to the use mix that would be in the base scheme in the development agreement. In keeping with the recent Policy Options Papers for the City Plan, the urgent need for additional purpose built student accommodation in the city, and with a suggestion in the SPD; there is a proposal that 400 student beds be included in the scheme. There is now less speculative office space than in the original bid scheme and there are c.160-200 residential units.
- 3.5 The proposed student accommodation would be located close to a new university library and the existing University of Brighton Grand Parade building. This building has an extant permission to build a new fourth wing, which the university is looking at modifying and implementing. This, combined with the new library and student residential accommodation, would create a new educational quarter in this part of the city, bringing vitality and economic activity to the area. The student accommodation will help to meet a shortfall in such accommodation that the university seeks to provide, as well as freeing up other housing. The key to student accommodation integrating into the local community is how it is managed. As part of any future planning application Cathedral will be expected to provide a management plan for the student accommodation.

### **Continued Scheme Benefits**

- 3.6 The revised scheme will seek to maintain the agreed master plan solution whilst amending the development mix to respond better to market conditions and to address the viability issues. Cathedral believes that the revised proposal will represent the optimum solution for this site. Despite the difficult market conditions, by unlocking this scheme we could deliver the following elements:
- New Library for the University of Brighton and Student Accommodation (c. 400 bed residences) as part of an improved educational quarter.
  - Dance Studio and Creative Space for the city
  - Corporate Offices
  - Strata Offices
  - Retail

- Residential: c.160 -200 units (depending upon final mix)
- Creative Industries Market

- 3.7 Cathedral have undertaken refreshed work on summarising the economic and regeneration benefits linked to the scheme, and a report by Step Ahead Research is at Appendix 1. The headline economic benefits include 140 FTE (full time equivalent) constructions jobs and 170 FTE jobs generated by the completed development, and an economic impact in the city economy of £153m over ten years. The quantitative benefits the paper identifies include the fact that student housing will relieve pressure on the private rented sector; there will be more, affordable, homes; the dance studio provides a focus for dance in the city; it will further integrate the university into the heart of the city and will bring enterprise to creativity through, for example, the creative industries market. There are also physical and townscape improvements linked to the public event square and permeability of the site, replacing the existing derelict market building.
- 3.8 There are a number of benefits to the city, the neighbourhood and the specific site itself in having a cultural facility as an integral part. The site is mixed use and the placement of a cultural facility within that will contribute to its long term success in terms of the vibrancy of the area. It will diversify the usage of the site in terms of the range of users and the timings of usage. This will help stop the site becoming an island site, and connect it into the other sites with cultural facilities in the city, close to the cultural quarter, adjacent to the university and diagonally opposite the Royal Pavilion Estate.
- 3.9 Dance is a popular and engaging activity with well documented health, education and social benefits. There is a lack of space for dance in the city, despite the number of dancers, groups, classes and participants both existing and potential. The new space will provide a home for dance in the city which will have a positive impact in terms of:
- Health benefits for targeted groups of residents linked to the city's public health agenda.
  - Particular opportunities for young people and older people (the space would become the home for youth groups and Three Score Dance a group for people over 60).
  - The city's cultural reputation and profile as a creative, producing city.
- 3.10 South East Dance at home in the space would be supported through the creation of a revenue stream via the development to develop an enhanced programme of youth and community dance reaching up into the neighbouring area and the city beyond. South East Dance are also in negotiation with the Arts Council, and planning additional fundraising in order to raise further capital funding to support the further fit out of the site once built. This fit-out is the responsibility of South East Dance and would not be at any cost to the city council.

### **Timetable and Next Steps**

- 3.11 The developers proposed timetable is set out below, but it should be noted that this is quite ambitious and would be likely to be stretched by any drawn out negotiations over points in the development agreement:
- February 2012 – Agree Variations to Heads of Terms
  - March 2012 – Negotiate Detail of Changes to the Development Agreement

- April 2012 – Commence Scheme Design
- October 2012 – Submit Planning Application
- January 2012 – Determination of Planning
- June 2013 – Start on site
- November 2014 – Library Completion
- May 2015 – Practical Completion of wider scheme

#### 4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 During the development competition, the preparation of the SPD and following the selection of Cathedral as the preferred bidder there was considerable public consultation. As well as a general consultation process there were regular meetings with the Tarner Area Partnership and there was a standing consultation panel. This activity had reduced as the scheme was unable to progress in the face of strong financial viability issues. However, if the scheme can be unlocked with a new development agreement the developers will undertake further consultation and community engagement during the pre-planning stage.

#### 5. FINANCIAL & OTHER IMPLICATIONS:

##### Financial Implications:

- 5.1 Detailed financial implications of the revisions to the development agreement are considered in the Part 2 report.

*Finance Officer Consulted: James Hengeveld Date: 25/1/12*

##### Legal Implications:

- 5.2 Detailed legal implications are considered in the Part 2 report.

*Lawyer Consulted: Bob Bruce Date: 13/01/12*

##### Equalities Implications:

- 5.3 An equalities Impact Assessment has been undertaken on this project. The EIA will need to be refreshed in light of any amendments to the scheme.

##### Sustainability Implications:

- 5.4 The Circus Street development has, from its inception, been planned as a model of sustainable urban development. The sustainability implications will need to be considered of any final scheme seeking landlord's consent and any planning application that comes forward.

##### Crime & Disorder Implications:

- 5.5 If a revised package cannot be agreed and the scheme does not proceed as it is no longer viable, then there will be further dilapidation of the existing building, leading to increased potential for crime and disorder and fear of crime.



### Risk and Opportunity Management Implications:

- 5.6 The project has, like all Major and Capital Projects, been subject to a risk and opportunity management procedure that is regularly updated. A risk register is maintained on the project.

### Public Health Implications:

- 5.7 The existing site offers no public health benefits, and indeed is a health and safety risk due to people accessing the roof and potentially falling through. Early consultation included comments from managers of the public health facilities on Morley Street suggesting that the existing vacant building put people off approaching those facilities from Circus Street in the dark. Townscape improvements linked to the scheme will address this issue. There will also be community health benefits arising from the proposed dance studio.

### Corporate / Citywide Implications:

- 5.8 Agreeing to a package that allows the scheme to proceed will help to deliver regeneration benefits locally as well as economic benefits to the wider city, as outlined at Appendix 1. In addition, the Department for Communities and Local Government now offers that for every new home given planning permission the government will match fund council tax for the first 6 years. Unlocking the Circus Street site could mean c.200 new homes and up to £1.8m income over six years (based on present band D rates of Council Tax).

## **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 One option would be to refuse the revised offer scheme and offer from the developers. If this were to happen then the developers may not have the comfort necessary to invest the money required to take the scheme forward to planning. Housing (affordable or private); office space; the dance studio and the new university library would not be delivered. Proceeding with a viable scheme would enable the regeneration benefits that will come out of the scheme.

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The recommendations seek Cabinet approval to make the changes necessary to unlock a scheme that has been stalled for a number of years. A number of options have been tested and the development viability has been assessed in depth. It is considered that approving the proposed recommendations is the only way that the regeneration benefits identified with this scheme can be unlocked.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Grow Brighton: A Socio-Economic and Community Benefits Statement

### **Background Documents**

1. SPD05 Circus Street Municipal Market

# Grow Brighton

## A Socio-Economic and Community Benefits Statement

### Introduction

This paper sets out an updated socio-economic and community benefits of Cathedral Group's *Grow Brighton* development proposal for Circus Street, Brighton & Hove. It is an initial summary assessment and a more detailed socio-economic impact assessment will be provided when a full planning application is submitted.

### The *Grow Brighton* Development Proposal

The *Grow Brighton* development proposal has the following key elements:

- 160-200 residential housing units, including targeting between 25-40% affordable housing (exact amount to be determined by the financial viability of the scheme)
- 400-bed student accommodation residences
- A creative industries market
- 13,000 sq ft of retail space
- 10,000 sq ft of multi-occupancy workspace
- 22,000 sq ft of corporate office space
- 38,000 sq ft for a new university library
- 11,700 sq ft for a Dance Studio for South East Dance.

The development is located on Circus Street, Brighton.

### Circus Street, Brighton & Hove

Circus Street is located in central Brighton, at the south end of the city's Academic Corridor that links the Universities of Brighton and Sussex with City College, Brighton & Hove. It is close to the city's largest private sector employer, American Express, its world famous Royal Pavilion and the North Laine commercial and retail centre.

However, it is also in one of the city's most deprived areas. One in five (20%)<sup>1</sup> working age residents in its ward, Queens Park, are claiming out of work benefits, and nearly a quarter of adults (22%)<sup>2</sup> have no formal qualifications.

But the deprivation within Queens Park is even more localised than this. Circus Street is within Tarner neighbourhood – an area with high levels of sick and disabled residents and a high proportion of people living in social rented housing. It also has a large, transitory student population<sup>3</sup>. In short, this is one of the most deprived parts of Brighton & Hove, and is in need of significant regeneration.

<sup>1</sup> Source: Office for National Statistics (2011) via NOMISWEB

<sup>2</sup> Source: 2001 Census Office for National Statistics via NOMISWEB

<sup>3</sup> 11.4% of 16-74 year olds in Tarner are permanently sick or disabled; 41% of households live in socially rented accommodation; and 12.9% of the resident population are students (Census 2001: sourced from the Tarner Neighbourhood Profile)

## Providing New Jobs

### Construction Jobs

The total value of the Grow Brighton development is estimated to be around **£81m**. Given its value, we expect the construction phase alone to create **140 FTE equivalent construction jobs<sup>4</sup>** in the city during the development phase.

We will work closely with the City Council, the Brighton & Hove Economic Partnership and City College, Brighton & Hove to ensure that as many of these jobs as possible are filled by local people.

### Non-Construction Jobs

Our estimates suggest that the development will create 250 gross jobs, in addition to a small number of new jobs at the proposed university library and student accommodation. We would expect some of these jobs to displace jobs that already exist in the city and a small number to be taken by people who work outside Brighton & Hove.

However, given the low economic activity rate and the need to create net new 6,000 jobs over the next three years just to absorb demand, we expect both of these to be low. Based on 10% leakage and 25% displacement<sup>5</sup>, the development will create **170 net new jobs** for Brighton & Hove. This excludes a small number of additional jobs that will be created by the additional student accommodation and university library.

Furthermore, the level of additional employment could be higher depending on how the 10,000 sq ft of 'multi-occupancy workspace is used. Currently, there are discussions with the University of Brighton to use this space for its Architectural School. This will have other qualitative benefits, including helping to position the University as one of the leading Architectural Schools in the country and bring architectural design students face to face with the realities of people's lives in deprived communities<sup>6</sup>.

The proposal includes office accommodation, a creative market and dance studio; retail space; and a university library. This means that it will provide jobs for people with varying skill levels. Local people with lower level skills often do not benefit from developments that create only higher level jobs, whilst those that provide only low value added employment can fail to excite people and raise aspirations amongst local residents. This development bridges this gap.

There will be 64 gross retail jobs on the development – these are often suitable for people looking to enter the labour market. However, there is also corporate office space (170 gross jobs) which will attract businesses that can provide jobs for people with higher level skills, including university graduates.

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<sup>4</sup> Note: This is based on output per construction worker (£58,000) and applying a standard ratio of 0.10 to the total job estimates generated by a development of this scale

<sup>5</sup> Note: The Homes and Communities Agency suggest these as low leakage and displacement levels: Additionality Guide Third Edition

<sup>6</sup> Note: The University of Portsmouth has had considerable success in providing their architectural students with real-life community projects that enable them to incorporate social and community dimensions to their architectural designs.

## Economic Impacts

### Employee Impacts

Gross median annual earnings for full-time workers in Brighton & Hove are £24,978. Based on the number of net additional jobs (170), the gross economic impact from the employment development is estimated to be £5.5m. However, national estimates suggest that only around 22% of people's earnings benefit the local economy. This means that the net economic impact from employees spend to the city will be around **£1.2m** per year.

### Student Accommodation Impacts

The development includes 400 student accommodation residencies. According to the National Union of Students, students outside London spend an average of £11,188 per year on living costs over a 39 week period and (in 2011/12)<sup>7</sup>. There is likely to be some displacement (the net increase in student accommodation units may not result in an equivalent net increase in the number of students in the city) and some expenditure leakage outside Brighton & Hove. Furthermore, including student spend at retail outlets on the site would be 'double counting', as this has already been estimated in the employee impacts.

However, students spend a higher proportion of their incomes locally. Given this, we estimate that around 33% of the gross spend will be additional and will be retained within Brighton & Hove. Assuming 100% occupancy, this would mean **£1.5m** net additional spend in the city by new students that the new accommodation would attract (excluding course fees).

If the student accommodation is utilised effectively, it can provide additional visitor expenditure to the city outside term time. Assuming 70% occupancy rate over a 10-week period, the additional income to the city from non-student visitors staying in student accommodation would be **£2.3m**<sup>8</sup>

### Spending by Residents

The development also includes 160-200 residential units. The mix of dwelling sizes is yet to be determined. However, if we assume that density is the same as that for Queens Park, as a whole, it would mean that there would be between 270 and 340 residents living on the *Grow Brighton* site. If there is no displacement this would mean that the development would result in 160-200 additional households moving into the city or it would prevent 160-200 households leaving the city<sup>9</sup>.

Average household income in Brighton & Hove is estimated to be £35,000 and national estimates suggest that around 22% of people's earnings is spent locally. Applying these estimates would suggest that additional spending by residents in the city would be between **£1.2m** and **£1.5m** per year.

<sup>7</sup> What Does it Cost to be a Student? National Union of Students 2011

<sup>8</sup> Note, this is based on the current daily spend by staying visitors to the city of £115.51 per 24 hour period.

## Dance/Creative Studio

A study<sup>10</sup> has already been undertaken that includes estimates of the impacts of the proposed Dance Studio on the site. The floorspace assumptions for the analysis are broadly the same as those within the new development proposal, so it seems reasonable to retain the original estimates. The study suggests that the “minimum impact” that the Dance space could have on the economy would be around **£500,000** per year and that this could be as high as **£700,000** per year.

## Wider Socio-Economic and Community Impacts

### **Student accommodation the pressure on the private-rented housing sector...**

The impacts of *Grow Brighton* are not just employment and financial ones. There is a pressing need for student accommodation. Brighton has one of the highest concentrations of students in the UK – 13% of the population. The challenges that this creates have been recognised nationally. A report<sup>11</sup> in the Guardian suggested that the development of new purpose-built student accommodation had “*failed to keep pace with the rise in student numbers*”. This has resulted in landlords renting much needed family accommodation to students, pricing young families out of the private rental market in parts of the city.

Building 400 new student accommodation residencies will go a long way to addressing this issue and will result in a greater dispersal of students away from the narrow strip along Lewes Road between Bear Road and Falmer. Indeed, the proposal to include student accommodation is supported by the city council as stated in their Autumn 2011 consultation paper on Student Accommodation which specifically identified Circus Street as an appropriate location to build student residencies.

### **Providing more, affordable homes...**

Brighton & Hove has a shortage of housing and, in particular, a shortage of affordable housing. According to Brighton & Hove City Council’s Housing Options Delivery Paper, the city needs between 790 to 970 homes per year. In July 2011, there were almost 11,000 households on the council’s Housing Register seeking a home with an additional 2000 households already in housing seeking a transfer to more suitable accommodation. This represents a considerable affordable housing challenge for the City Council.

Grow Brighton goes some way to addressing both these challenges. It proposes developing between 160 and 200 dwellings, of which up to 80 could be affordable.

### **Integrating the university into the heart of the city...**

The Universities of Sussex and Brighton are central to the city’s success. They contribute an estimated £1bn to the economy and make a significant contribution to its cultural life. Furthermore, the links between the city’s businesses and the universities are strengthened by the high graduate retention rate. However, there are still locational disadvantages, with most of the universities’ activities taking place on the outskirts of the city at Falmer. Grow Brighton will extend the Academic Corridor, and therefore the universities, into the heart of the city.

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<sup>10</sup> Economic Impact Study of the Dance Artists and Practitioners who Live and Work in the City of Brighton & Hove. SAM (2008)

<sup>11</sup> <http://www.guardian.co.uk/money/2011/mar/27/student-lets-brighton-solution>

Locating a major new university site in the centre of Brighton will also raise aspirations amongst local people (particularly in the Tarnar area); strengthen linkages between the university and the city's start-up business community (particularly in the creative industries); and provide an excellent selling point to high quality students who are attracted by being living in the heart of Brighton & Hove.

### **A focus for dance...**

Brighton & Hove is home to South East Dance, but it is not as successful as it should be at retaining talent. The impact study undertaken in 2008<sup>12</sup> suggests that the lack of a suitable dance studio in Brighton & Hove means *that "dance artists and practitioners have to look elsewhere to undertake their work"*, resulting in around £1.2m worth of dance activity leaking out of the local economy.

However, the impact is not just economic. Brighton & Hove has a well-recognised creative and cultural reputation and recognises the impact that the arts have on regenerating and engaging local communities. The provision of a Dance Studio (and a creative market) will take creativity into the heart of one of the city's most deprived neighbourhoods, bringing in new people and creating a new image of opportunity and hope.

### **Bringing enterprise to creativity...**

Brighton & Hove has a well-deserved reputation as a centre for the cultural and creative industries, but many businesses in these sectors struggle to be commercially viable. The 2010 Brighton & Hove Business Survey<sup>13</sup> found that *"creative Industries businesses were more likely than businesses in other sectors to have a low turnover, employ few staff and to have cash flow challenges"*. In short, the evident creativity in the city is not yet successfully converted into effective business outcomes. The report suggested that there was a "greater need to commercialise businesses in the sector" but recognised that its fragmented nature and high proportion of freelancers nature make it difficult to do this.

*Grow Brighton* directly addresses this challenge. The development includes a Creative Market that will enable creative people to meet and buy and sell their products and services from a single, easily recognisable location. This will reduce fragmentation and isolation amongst creative business owners, strengthen their links to the city's university and commercial sectors and provide a physical location to encourage knowledge exchange and business partnerships.

## **Overall Impact of the Development**

A simple quantitative assessment of the impact of the development on the city fails to address the full benefits that it will bring. However, our estimates suggest that, over a ten year period, the development will provide at least 170 net new FTE jobs to the city and a further 140 FTE construction jobs. The development will contribute around **£153m** to the city's economy over a ten-year period, including £81m investment in the construction of the development.

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<sup>12</sup> Economic Impact Study of the Dance Artists and Practitioners who Live and Work in the City of Brighton & Hove. SAM (2008)

<sup>13</sup> Brighton & Hove Business Survey 2010 Step Ahead Research (2010)





<b>Subject:</b>	<b>Falmer Released Land</b>		
<b>Date of Meeting:</b>	<b>09 February 2011, Cabinet</b>		
<b>Report of:</b>	<b>Strategic Director, Resources</b>		
<b>Lead Member:</b>	<b>Cabinet Member for Finance &amp; Central Services Cabinet Member for Planning, Employment, Economy &amp; Regeneration</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Gil Sweetenham</b>	<b>Tel: 29-3433</b>
	<b>Email:</b>	<b>Gil.Sweetenham@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No: CAB 25463</b>	
<b>Ward(s) affected:</b>	<b>Moulsecoomb &amp; Bevendean</b>		

FOR GENERAL RELEASE

## **1. SUMMARY AND POLICY CONTEXT:**

- 1.1 The development and completion of the Brighton Aldridge Community Academy ("BACA") has released part of the former Falmer school site from education use so that it is now surplus to requirement and available for redevelopment and regeneration.
- 1.2 To progress the redevelopment of the site and contribute to the area's wider regeneration, it is proposed that a temporary use involving demolition of the surplus school buildings, temporary accommodation for the Bridge Community Education Centre ("The Bridge") and match day and event parking for the Amex Community Stadium ("the Stadium") can be progressed while testing the market to appoint a preferred developer to deliver a permanent redevelopment solution.

## **2. RECOMMENDATIONS:**

That Cabinet

- 2.1 delegates authority for approval to proceed with the short term option in respect of the site shown on the plan at Appendix 1 ("the Released Land"), as described in paragraphs 6.2(b) and 7.1 of this report, to the Strategic Director, Resources in consultation with the Leader of the Council, Cabinet Member for PEER, Cabinet Member for Transport & Public Realm, and Cabinet Member for Finance & Central Services and that this consultation should be carried out following receipt by the council from The Community Stadium Limited ("TCSL") of a viable business case for the proposal.
- 2.2 agrees, subject to (a) the delegated decision to proceed with the temporary solution included at paragraph 2.1 of this report, (b) the granting of a waiver under Contract Standing Order 18 and (c) TCSL gaining planning permission, that the Council enter into licences to achieve the temporary solution, the detailed terms of such licences to be drawn up by the Strategic Director,

Resources in consultation with the Head of Law, the Leader of the Council, Cabinet Member for PEER, Cabinet Member for Transport & Public Realm, and Cabinet Member for Finance & Central Services.

- 2.3 agrees to the preparing of a Development Brief to test the market and procure a development partner as described in paragraphs 6.4 (i) and 7.5 of this report and delegates authority for approval of the Development Brief to the Strategic Director, Resources in consultation with the Leader of the Council, Cabinet Member for Planning Employment Economy & Regeneration, Cabinet Member for Transport & Public Realm, and Cabinet Member for Finance & Central Services, so that the Released Land can be marketed as a development site and the outcome of such marketing be further considered by Cabinet
- 2.4 notes that a report to the Planning Employment Economy & Regeneration Cabinet Member Meeting of 2<sup>nd</sup> February 2011 recommends the form of the Planning Brief for the Released Land in the form appended to this report.

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

- 3.1 Following completion of BACA, a section of the former Falmer High School site, the “Released Land”, which is no longer required for education purposes, is now available for redevelopment (Appendix 1, location plan).
- 3.2 A section of the former school buildings on the Released Land currently houses The Bridge. The council Leadership has expressed full support for the Bridge and, as part of any redevelopment, has secured a commitment from TCSL to provide temporary and new permanent accommodation and a contribution towards the running costs of the premises.
- 3.3 The council and governors of the former Falmer High School agreed that the school playing fields could be used by the Stadium on match and event days for approximately 1000 car parking spaces. These spaces were required to satisfy the planning condition imposed by the Secretary of State in the planning permission for the Stadium. By the time that the Stadium was constructed the agreement had lapsed and the school had become BACA. Since its inception, the BACA leadership has indicated that it is not willing to allow use of its site for Stadium related car parking spaces. BACA has also requested that the council demolish the surplus school buildings on the Released Land as soon as possible to improve the appearance of its entrance and provide a safer environment for the local community.
- 3.4 A footpath and cycleway adjacent to the railway line has been constructed to accommodate pedestrians and cyclists travelling to and from the proposed car parking area. This project was one of the elements of the £5.7million of SEEDA funding granted to the council, which also provided a new junction and connection to the Woollards Field site and tunnel serving the Retained Land, and a new access road to Stanmer Park and University of Sussex.

- 3.5 The council has been working alongside TCSL for three years to look at potential solutions involving the Released Land at Falmer and TCSL are working in partnership with the University of Brighton and University of Sussex for the longer-term regeneration of the site.
- 3.6 There is an underlying assumption that there is no long-term efficient use of the surplus buildings, due to their condition, layout and facilities, and that the most cost effective route is demolition and new build while providing temporary accommodation for The Bridge.
- 3.7 The council commissioned an independent valuation of the site based on providing 880 units of student accommodation, which was revised in January 2011 that suggested the potential to generate a substantial capital receipt. This potential receipt would be reduced with the inclusion of 750 car parking spaces. In January 2011, TCSL submitted an initial proposal for consideration to the council for the site to include student accommodation, stadium parking and new accommodation for The Bridge and they are continuing to develop this proposition further with the two universities, BACA and the Bridge.3.8 The PEERCMM report and recommended Planning Brief referred to in recommendation 2.3 refers to around 800 tiered car parking spaces to serve the Stadium on match and event days, the provision of community facilities (to accommodate The Bridge) and buildings linked with Higher Education, including the potential for student accommodation. The council will continue to work with stakeholders to address the identified issues and ensure best consideration is achieved for the council.
- 3.8 TCSL has submitted a new summary proposal to the council for consideration, which is outlined in paragraph 7.3 below, and provided in the part two report.
- 3.9 Primarily in response to concerns raised with the council's Cabinet Member for Transport & Public Realm by local residents about the effects of match day parking on streets in the Moulsecoomb and Coldean areas, the Leader of the Council and Chief Executive of B&HAFC jointly agreed to the preparation of an independent study of the current and future use, and impacts, of different forms of transport used by supporters to reach the Stadium at Falmer. This intervention by the council's Leadership has ensured that a full and proper investigation of the relevant transport issues is being carried out as a fundamental part of the consideration of this proposal.
- 3.10 In considering the wide range of transport issues, parking has been a key issue. The report has considered on-street problems, and the use and availability of parking both on-site (e.g. Bennetts Field) and off-site (e.g. Sussex University and the Released Land). Consideration of the Released Land is important given the original allocation of 1,000 spaces on the former Falmer High School Playing Fields as part of the original planning permission. In its overall conclusions and recommendations, the independent report has indicated that the case for the use of the Released Land for up to 800 spaces could be supported, and that this could form part of a wider package of proposals that would help to enable effective and efficient transport options for supporters to access the Stadium both now and in the future. Safe access to the Released Land site on match days should be a primary consideration in the design of the parking spaces and the management of movement to and from them by club stewards.

- 3.12 The conclusions of the independent study will be considered by the Stadium's Travel Management Group (TMG), which has been set up as a requirement of the planning permission and considers and addresses match day transport issues. The draft Executive Summary of the independent study is attached to the part two report to provide further details on the scope and outcomes of the study...
- 3.13 If agreed and implemented, the provision of these parking spaces could enable further consideration to be given to the potential opportunities that they may offer (outside the times that they would be used on match days and for other outdoor events), in terms of achieving an efficient use of such land within the city and addressing existing and future transport issues.

#### **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 The internal officer group including Major Projects & Regeneration, Property & Design, Legal, Planning, Finance and Education has been established for this project and has monitored the work carried out by TCSL, considered the council's independent valuation for the site and contributed to the compilation of this report.
- 4.2 Further consultation with Members, officers and external stakeholders will be carried out if a Development Brief is to be prepared to seek a preferred developer.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 5.1 The financial implications of any development of the site will be included in subsequent reports. The recommendation for TCSL to carry out the works as set out in recommendation 2.1 above will be cost neutral to the council with any rent foregone offset by the cost of the demolition works and reduced security costs.

*Finance Officer Consulted: Peter Sargent, Loans & Technical Manager*

*Date: 18.11.11*

##### Legal Implications:

- 5.2 The proposal for temporary parking for TCSL is consistent with previous decisions relating to the Amex Community Stadium and the reprovision of The Bridge is consistent with council support for community provision.
- 5.3 Planning permission will be required for the proposals and as part of the application process the local planning authority will review the Travel Management Plan for the stadium and the access arrangements to the site.
- 5.4 Contract Standing Order 12 would ordinarily apply to the circumstances of this case i.e. where the total value of a contract exceeds £75,000 at least 5 tenders should be sought and the most economically advantageous tender should be accepted. However, it is considered reasonable for a waiver under CSO 18 to be

given, to enable the appointment of TCSL who can then expedite the preferred temporary option.

*Lawyer Consulted: Bob Bruce Principal Solicitor*

*Date: 16.01.12*

Equalities Implications:

- 5.5 The development of the Released Land offers the potential to provide improved community facilities for Moulsecoomb, which is recognised as an area that experiences high levels of multiple deprivation. Support for the continuation of the Bridge would benefit local residents in this area as well as city wide services. An Equality Impact Assessment will be carried out when it is clear how the project is to proceed.

Sustainability Implications:

- 5.6 Sustainability implications will be a significant part of the assessment of any scheme that is brought forward for the Released Land and consideration of these will be a normal part of any planning application for the site, as for all development proposals.

Crime & Disorder Implications:

- 5.7 Demolition of the buildings would eliminate the possibility of vandalism, which did occur during the past summer. Relevant issues relating to design, including the use of "Secured By Design", will be fully covered if a proposal for the Released Land comes forward.

Risk and Opportunity Management Implications:

- 5.8 The project manager keeps a Risk & Opportunity register for the project, which is reviewed on a regular basis with the project team.

Public Health Implications:

- 5.9 None arising from this report.

Corporate / Citywide Implications:

- 5.10 The redevelopment of this brownfield site will contribute to the overall regeneration of the area and build on the positive effects and good design of BACA, the Stadium and The Keep. It is likely that the remaining land at Woollards Field, which is not being used for the Keep and in which the council has a financial interest, will be better placed to attract development alongside the redeveloped Released Land.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 A number of options are available for the council to consider that involve the following issues:
- value of the site and the capital receipt that the council might reasonably expect to achieve;

- whether to work with TCSL or to test the market to establish the site value; and
  - whether the council wishes to support inclusion of the Stadium parking in any redevelopment, re-providing accommodation for The Bridge, and agreeing that BACA may, at its own cost and in discussions with any future preferred developer, provide a referral centre on the site, and the direct and indirect costs of these items.
- 6.2 In the short term, to achieve the demolition of the surplus buildings the council may proceed in one of two ways:
- (a) The council carries out the demolition, temporary landscaping and provides accommodation for The Bridge (either in its existing home or temporary units) and sets the cost of these works against the anticipated future capital receipt.
  - (b) The council allows TCSL to carry out the demolition, provide accommodation for The Bridge (either in its existing buildings or temporary units) and lays out the site to provide match day and event parking. The cost of these works would then be set against future parking revenue.
- 6.3 As referred to above, option (b) is the route recommended in this report.
- 6.4 In the long term, to achieve the redevelopment of this brownfield site and wider strategic aspirations, the council may consider the following options:
- i. The council invites expressions of interest for redevelopment against an agreed Planning Brief, in order to test the market and procure a development partner. This would entail working up a Development Brief, which would incorporate the Planning brief and set out more specific requirements for the Released Land;
  - ii. The council enters into discussions with TCSL, with a view to reaching an agreement, whereby TCSL delivers the redevelopment of the site in partnership with stakeholders and to provide match day and event parking, and replacement accommodation for The Bridge.
- 6.5 Recommendation 2.3 of this report is that a Development Brief is prepared to enable the site to be marketed. The outcome of that marketing exercise will then be reported through to Cabinet so that Members will approve the long term solution for the Released Land.
- 6.6 In considering which long term option to pursue, the council will be mindful of the capital costs associated with including the Stadium parking and providing temporary and permanent accommodation for The Bridge. The use of any capital receipt generated from the sale of the land would be decided by Cabinet, including earmarking any of it to fund new accommodation for The Bridge.

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 In the short term and to achieve the demolition of the surplus buildings, it is considered appropriate to allow TCSL to carry out the demolition, provide

accommodation for The Bridge (either in its existing buildings or temporary units) and the laying out of the site to provide match day and event parking. This option, included in 6.2(b) above, provides for the works to be carried out without the council incurring any capital costs. The cost of these works would be set against future parking revenue received by TCSL so that the council would provide a rent free licence to TCSL for the time it takes to recoup the cost of the capital works.

- 7.2 This short term option would only be agreed following the submission to the council by TCSL of a robust business case that is agreed by Members.
- 7.3 TCSL submitted to the council in November 2011 a high level business case summary to support its proposal, which is provided in the part two report. The summary proposes that TCSL carries out works on the Released Land including the demolition of the surplus buildings, providing temporary accommodation for The Bridge and the laying out of temporary stadium car parking. The summary states the need for a four year lease / licence at nil consideration (i.e. TCSL retaining all the car parking income) to balance the return against the cost of the works. Should the land be sold within that four year period to a party other than TCSL, there will need to be an agreement for the council to repay the outstanding difference to TCSL from the capital receipt.
- 7.4 Subject to agreement of recommendation 2.1 of this report, TCSL will be required to submit a full and viable business case before any agreement to proceed. The business case will need to set out evidenced costs for the demolition, providing temporary accommodation for The Bridge and laying out of the temporary car parking. Any works proposed will require planning permission and a waiver of Contract Standing Order 12 relating to contracts exceeding £75,000.
- 7.5 In order to test the market and procure a development partner, it is recommended that a Development Brief is prepared and agreed by Members that will form the basis for inviting expressions of interest from developers. This option, included at 6.4 (i) above, will offer Members and stakeholders the opportunity to agree and prioritise strategic objectives for the site. These will then be set out in a Development Brief to be delivered by the redevelopment.
- 7.6 Following market testing, the council will be better placed to consider the redevelopment route that offers best consideration and achieves wider strategic objectives and a report will be presented to a future Committee outlining the results of the marketing, options and recommendations.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Falmer Released Land Location Plan
2. Planning Brief: Falmer Released Land

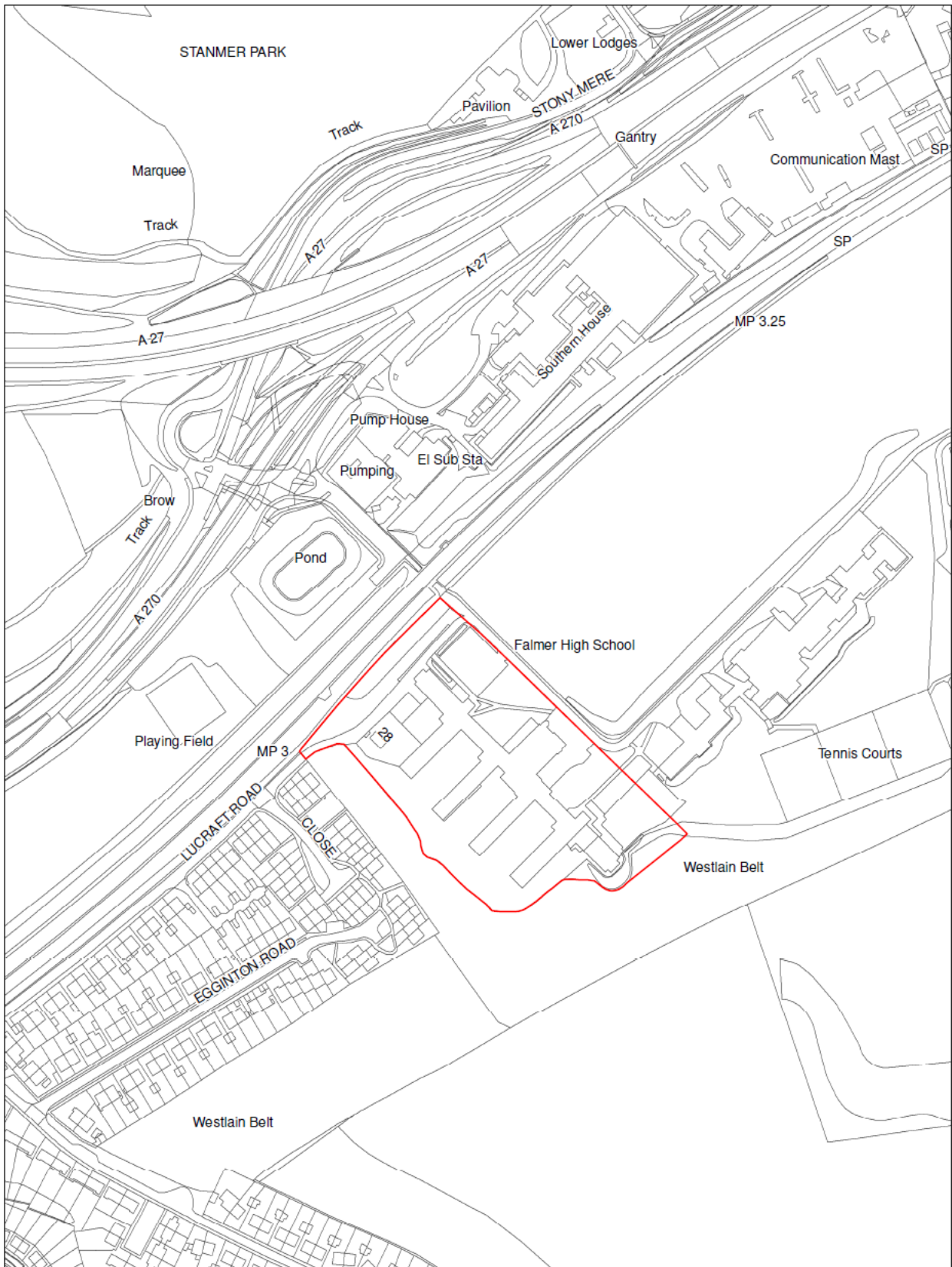
### **Documents in Members' Rooms**

None

### **Background Documents**

None





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Appendix 1 - Falmer Released Land Location

Scale 1:3,000



## Planning Brief

### Planning Brief: Falmer Released Land

#### 1. Status of this Planning Brief

- 1.1 This planning brief has been prepared as a tool to assist the council in securing its strategic objectives in respect of land that formerly formed part of Falmer High School, now deemed surplus to requirements for secondary education in the area.
- 1.2 Although the Planning Brief is a material planning consideration it cannot be afforded full statutory weight as it has not undergone full statutory consultation. However, the Brief complies with relevant Local Plan policies and national planning guidance and is a material planning consideration to which Members should give some weight in the determination of a planning application relating to the site.

#### 2. Background

- 2.1 The site comprises the remaining (southern) building of the former Falmer High School, together with surrounding land, now deemed surplus to requirements due to the adjacent and recently completed Academy. The site is currently home to The Bridge Community Education Centre, which is seeking to remain in the area and which has submitted a business case to the council for replacement accommodation.
- 2.2 Through a now lapsed agreement between the council and Brighton & Hove Albion FC, 1000 car parking spaces were to have been provided on the High School playing field for the Amex Community Stadium on event days, in order to comply with planning requirements concerning total off site car parking in close proximity to the stadium. The closure of the High School and its replacement by the Academy has meant that parking on the playing fields is no longer an option. However, it is anticipated that in disposing of the site the council (as current landowner) will be seeking a development package that will provide both for replacement facilities for The Bridge, as well as car parking facilities to service the Amex Community Stadium on event days.
- 2.3 Although a degree of temporary car parking has been provided close to the stadium through agreements between the football club and other landowners, the need for additional local car parking to meet the full requirements of the planning permission remains and is heightened by the submission of a planning application in January 2012 to increase the spectator capacity of the stadium. Primarily in response to concerns raised with the council's Cabinet Member for Transport & Public Realm by local residents about the effects of event-day parking on streets in the Moulsecoomb and Coldean areas, the Leader of the Council and Chief Executive of B&HAFC jointly agreed to the preparation of an

independent study of the current and future use, and impacts, of different forms of transport used by supporters to reach the Amex Community Stadium at Falmer.

2.4 In considering the wide range of transport issues, parking has been a key issue. The report has considered on-street problems, and the use and availability of parking both on-site (e.g. Bennett's Field) and off-site (e.g. University of Sussex and the Falmer Released Land). Consideration of the released land is important, given the original allocation of 1,000 spaces on the former Falmer High School Playing Fields as part of the original planning permission. In its overall conclusions and recommendations, the independent report has indicated that the case for the use of the released land for up to 800 spaces could be supported, and that this could form part of a wider package of proposals that would help to enable effective and efficient transport options for supporters to access the Amex Stadium both now and in the future.

2.5 In the light of the above, a planning brief has been prepared in order to:

- assist the council in its strategic objectives of securing a new home for The Bridge Community Education Centre and the recognised need additional car parking for the Amex Community Stadium;
- help guide future development proposals by highlighting and applying the council's planning policies at a site specific level.

### **3. Site Context**

3.1 The site area is on the north-east edge of Brighton close to the junction of the A27 bypass and the A270 Lewes Road. The Brighton to Lewes railway runs through the area and separates the existing school site from Woollards Field and Lewes Road. The area is within the defined 'Built-Up Area' in the Brighton & Hove Local Plan. However, given the site's proximity to the South Downs National Park and Stanmer Conservation Area, consideration should be given to its environmentally sensitive location.

3.2 The site, of approximately 2.25 ha, is owned by Brighton & Hove City Council and is flanked by ancient woodland to the south which is designated a Site of Nature Conservation Interest (SNCI). Woollards Field, on the northern side of the railway line, which forms the north boundary of the site, is allocated for employment use under Policy EM2 of the Brighton & Hove Local Plan. Part of the Woollards Field site has received planning permission for a new county records office (The Keep) for East Sussex and Brighton & Hove (under construction at the time of writing – January 2012). The University of Brighton campus and Virgin Active Health Club are located on the eastern boundary of the Academy site.

## 4. Planning Policy Context

### Land Use

- 4.1 A sensitively designed scheme should be capable of accommodating the 800 car parking spaces required for event days at the stadium, in a tiered arrangement below a mixed use development.
- 4.2 The site contains a building that formed part of the former secondary school and is currently partially rented to The Bridge Community Education Centre. School buildings fall within the consideration of Local Plan policy HO20, which resists development proposals that would result in the loss of community facilities (including schools). Exceptions may apply, however, including instances where the community use is incorporated, or replaced within a new development. Whilst in this instance the former Falmer High School has been replaced with the Brighton Aldridge Community Academy, given the established community use of the released land, any proposals for community use will be supported in principle.
- 4.3 Other than the provision of car parking spaces and community uses, the site would be suitable for uses associated with either of the Universities' growth aspirations and the area's Academic Corridor status, such as student accommodation, teaching and learning space, business enterprise and start-up business units. Other educational uses (for example complementary to or in association with the adjacent Academy) would also be acceptable in principle.
- 4.4 Previous studies have identified land in this area of the city as being potentially suitable for Park + Ride, given the close proximity to the A27 Trunk Road. Although the council is currently reviewing its Park + Ride policy-options in the context of consultation to assist in the development of the new City Plan, the potential to make the most efficient use of this level of parking to assist in delivering the city's transport objectives remains a possibility (although clearly it could not fulfil such a role when it was being used in association with the stadium). The use of the site as a car park would be subject to satisfactory access arrangements. Safe access to and from the site on match and event days should be a primary consideration in the design of the parking spaces and the management of movement to and from them by stewards.

### Design and Conservation Issues

- 4.5 Any development would need to be designed to take into account its potential visual impact on views from the South Downs National Park and Stanmer Conservation Area. With regard to the latter factor, development proposals should take on board policy HE6 which states that “**proposals within or affecting the setting of a conservation area should preserve or enhance the character and appearance of the area**”. Proposals should pay particular attention to paragraph 8.21 of the adopted Local Plan which refers directly to Conservation Area studies and their relevance to development affecting a Conservation Area.
- 4.6 Likewise, development proposals need to ensure the preservation of the ancient woodland on its southern and eastern periphery (a site of nature conservation importance (SNCI)). In accordance with recent legislation and Policy QD1 of the

adopted Local Plan, a design statement will be required and it is likely that a landscape impact assessment will be necessary as a part of a wider Environmental Impact Assessment for the proposed development. The design statement should address the criteria contained in policies QD2 and QD4 of the adopted Local Plan.

- 4.7 Policy QD3 states that “new development will be required to make efficient and effective use of a site, including sites comprising derelict or vacant land and buildings. To secure the efficient and effective use of a site, proposals will be expected to incorporate an intensity of development appropriate to: the locality and/or prevailing townscape; the needs of the community, the nature of the development and proposed uses”. The selection of building materials and screening of the development will also be important considerations in the design of any future scheme for the site.

### **Other Policy Considerations**

- 4.8 Notwithstanding the likely role the site is likely to play in helping meet the car parking needs of the Amex Community Stadium, it is essential that any development being proposed for the site is carefully managed in terms of the travel and transport demands generated by the scheme. New development should not encourage unnecessary car journeys but should actively promote more sustainable alternatives such as public transport, walking or cycling. At the earliest stage, the following factors should be considered:

- how the occupiers of the site will travel to and from the site;
- how visitors will reach the premises;
- how freight to and from the site will be managed; and
- what the impact of these new activities will be on their neighbours.

These issues will need to be addressed at the planning application stage through the submission of a Transport Assessment and a Travel Plan that aims to minimise the impact of the scheme by reducing traffic generation.

- 4.9 Redevelopment of the site should not result in any significant increase in traffic through the Stanmer Conservation Area, other residential streets or lead to on-street parking in surrounding streets. Off-site highways works may be required to mitigate any adverse impacts resulting from the development. Such works should be sympathetic to the character of the adjacent Conservation Area.

## **5. Environmental Sustainability**

- 5.1 Due to the sensitive location of the site, any planning application coming forward is likely to require a formal Environmental Statement under the terms of the Environmental Impact Assessment (EIA) Regulations. The Environmental Statement in particular should seek to minimise impacts on the environment, propose mitigation measures when impacts are unavoidable and consider alternatives including that of doing nothing.
- 5.2 In line with council planning policy, any proposed development would have to pay regard to the guidance in the council’s Sustainable Building Design **SPD 08** which promotes the use of renewable energy and greater energy efficiency within new

developments. The SPG should be read in conjunction with policies SU2, SU13 and SU14, to ensure compliance with Local Plan policies. For further practical ideas on how waste can be reduced, re-used and recycled, the developer should read the council's **SPD03 on Construction and Demolition Waste**.

## 6 Useful Contacts

### Contact:

Planning Projects	Jo Thompson (Major Projects Officer) Tel: 01273 292500 Email: <a href="mailto:jo.thompson@brighton-hove.gov.uk">jo.thompson@brighton-hove.gov.uk</a>
Planning Policy	Liz Hobden (Local Development Team Manager) Tel: 01273 292504 Email: <a href="mailto:liz.hobden@brighton-hove.gov.uk">liz.hobden@brighton-hove.gov.uk</a>
Transport	Pete Tolson (Principal Transport Planning Officer) Tel: 01273 292199 Email: <a href="mailto:pete.tolson@brighton-hove.gov.uk">pete.tolson@brighton-hove.gov.uk</a>
Major Projects & Regeneration	Richard Davies (Project Manager) Tel: 01273 291093 Email: <a href="mailto:richard.davies@brighton-hove.gov.uk">richard.davies@brighton-hove.gov.uk</a>
Heritage and Conservation	Tim Jefferies (Senior Planner, Heritage) Tel: 01273 292103 Email: <a href="mailto:roger.dowty@brighton-hove.gov.uk">roger.dowty@brighton-hove.gov.uk</a>
Ecology	Matthew Thomas (Ecologist) Tel: 01273 292371 Email: <a href="mailto:matthew.thomas@brighton-hove.gov.uk">matthew.thomas@brighton-hove.gov.uk</a>
Environmental Sustainability	Francesca Iliffe (Sustainability Officer) Tel: 01273 290486 Email: <a href="mailto:francesca.iliffe@brighton-hove.gov.uk">francesca.iliffe@brighton-hove.gov.uk</a>
Education	Gil Sweetenham (Schools Futures Project Director) Tel: 01273 293433 Email: <a href="mailto:gil.sweetenham@brighton-hove.gov.uk">gil.sweetenham@brighton-hove.gov.uk</a>

## **7 List of Relevant Planning Guidance and Other Documents**

### Planning:

Adopted Local Plan (July 2005)

SPGBH 4: Parking Standards (Adopted September 2000, under review)

SPD 08 Sustainable Building Design

SPD 11 Nature Conservation and Development

SPD 03 Construction and Demolition Waste

### Other:

Brighton & Hove Local Transport Plan

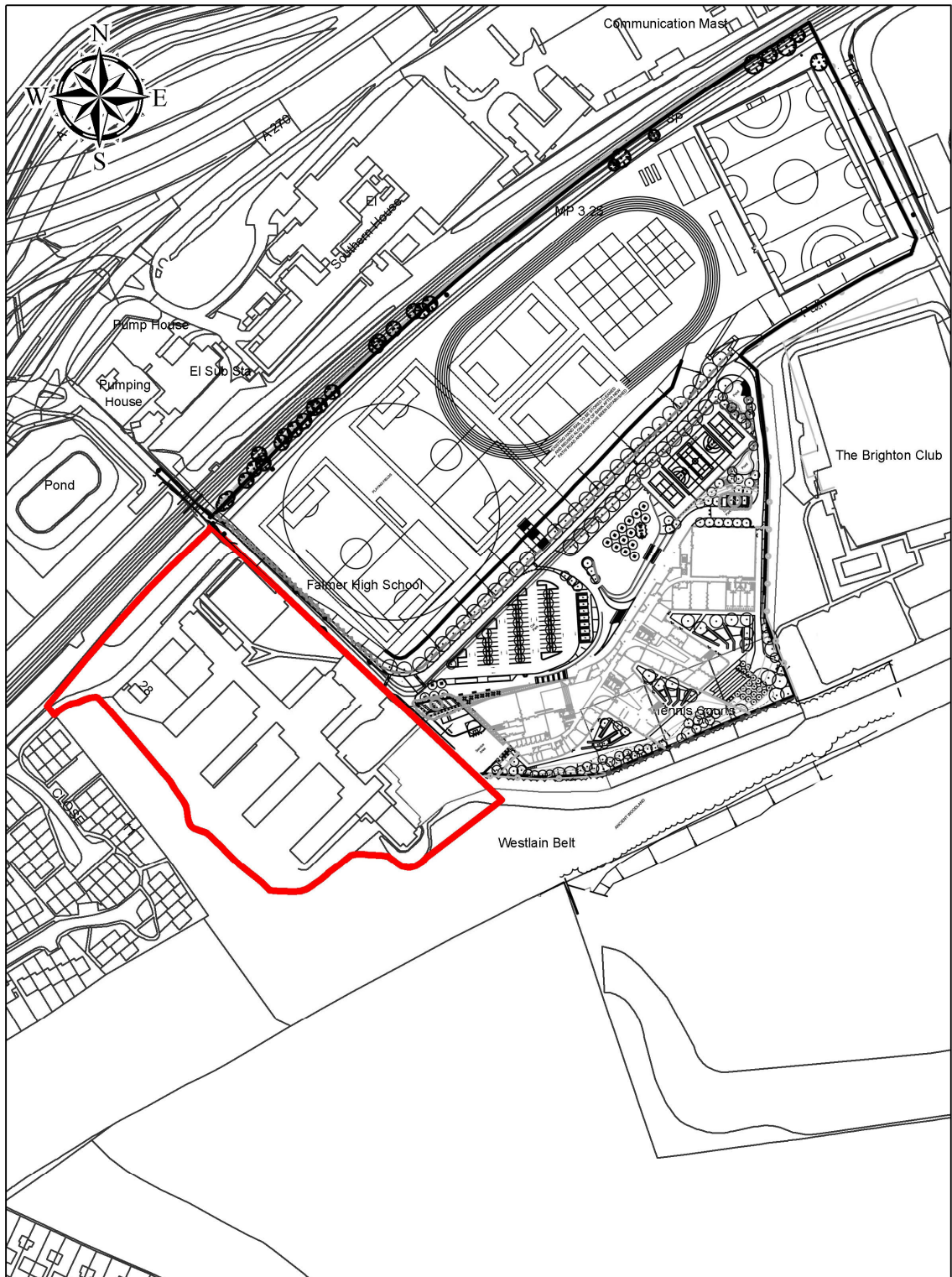
Brighton & Hove Sustainable Community Strategy

Brighton & Hove Economic Strategy

Brighton & Hove Community Development Strategy



# Site Plan: Former Falmer High School released land



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Scale: 1:2,500



<b>Subject:</b>	<b>Mercury Abatement</b>		
<b>Date of Meeting:</b>	<b>9<sup>th</sup> February</b>		
<b>Report of:</b>	<b>Strategic Director, Resources</b>		
<b>Lead Member:</b>	<b>Cabinet Member for Finance &amp; Central Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Paul Holloway</b>	<b>Tel: 292005</b>
	<b>Email:</b>	<b>paul.holloway@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>No</b>		
<b>Ward(s) affected:</b>	<b>All</b>		

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

- 1.1 As a crematorium owner, Brighton & Hove City Council is obliged to comply with mercury emissions legislation<sup>1</sup> which becomes active on the 31<sup>st</sup> December 2012. The new legislation states that across Europe, 50% of all crematorium mercury emissions must be abated from this date. This increases to 100% abatement by 2020.
- 1.2 The current cremator plant at Woodvale was installed in 1996/97, with one additional cremator installed in 2000. It is recommended by the company who provided the plant, that we should consider replacing it after around 15 years.
- 1.3 Cremators at Woodvale are therefore nearing the end of their economic life. Current maintenance costs are increasing each year. There is an opportunity to upgrade the facility and improve the quality of service and facilities when addressing the new mercury abatement legislation requirements. Additionally, there is also potential to reduce energy consumption significantly when installing the new plant, making use of latest technologies available.
- 1.4 Mercury is a known toxin. Although present emissions meet current standards, the introduction of far more stringent and demanding standards from 31 December 2012 indicates that there is a public health benefit that can be achieved from reducing emission levels. The health impact of emissions is not localized and can affect land, water and air.
- 1.5 Overall it is considered that the reduced mercury emissions will result in a positive long-term environmental impact from this proposal.
- 1.6 The proposed project to replace the existing cremators and install compliant mercury abatement plant will be via an OJEU compliant route funded using existing Bereavement Services reserves and any necessary additional borrowing.
- 1.7 If we do not meet the Government target date of 31 December 2012 sanctions could be imposed on the City Council. This includes an enforcement notice, warning letters, suspension of the permit, revocation of the permit and surrender. These can be very

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<sup>1</sup> Process Guidance Note PG5/2 (04) and subsequent further guidance Air Quality Notes AQ1 (05), AQ13 (05) and AQ10 (07).

serious options and prohibit the use of the crematoria and have some very significant fines (up to £50,000) and potential imprisonment.

- 1.8 Due to the short timescale for implementation and other local authorities having to comply, suppliers could be under pressure to provide cremators by the necessary deadline.

## **2. RECOMMENDATIONS:**

- 2.1 That Cabinet approves the proposal for replacement of old and antiquated plant and the introduction of mercury abatement measures via an OJEU compliant tender process,
- 2.2 That Cabinet delegates authority to the Strategic Director of Resources, in consultation with the Cabinet Member for Finance & Central Services to approve the purchase and installation of new equipment up to a value of £1.2m procured directly through an OJEU compliant route,
- 2.3 That Cabinet approves the funding of £1.2m from the council's Capital Investment Programme for replacement of new cremators and mercury abatement equipment to be funded through a combination of the Mercury Abatement Reserve and borrowing.

## **3. RELEVANT BACKGROUND INFORMATION:**

- 3.1 In response to the EU legislation, DEFRA published Process Guidance Note, PG5/02(04), which states the level of mercury abatement and timescales for implementation.
- 3.2 DEFRA further issued Additional Guidance Notes AQ1(05) and AQ13(05). These clarified PG5/2(04) and acknowledged 'burden sharing' between crematoria as a possible option. Burden sharing could be between individual crematoria or as part of a national scheme.
- 3.3 In response to the burden sharing The Federation of British Cremation Authorities (FBCA) & the Cremation Society have started the Crematoria Abatement of Mercury Emissions Organisation (CAMEO). This mechanism may give Woodvale the option of selling, in effect, mercury credits to a cremator with no mercury abatement, assuming Woodvale is fitted with 100% mercury abatement. Initial values indicated by CAMEO show that it would pay circa £25 for each mercury abated cremation. (NB The revenue to BHCC was not included in the original economic analysis.)
- 3.4 The current Woodvale facility accommodates three J & G Shelton & Co Ltd Diamond 2000 EF single end cremators and a cradle (baby and NVF) cremator. The two western cremators with the baby cremator were installed in 1996/97. The eastern cremator, for which the new extension was constructed, was installed in 2000. This plant should ideally be upgraded / replaced every 15 years. The company that maintains the cremators for the council (J G Shelton) believe that realistically they will need to be replaced by the close of 2012. In addition, by the end of 2012, across Europe, all crematorium mercury emissions must be abated by 50%. This increases to 100% by 2020.
- 3.5 Woodvale generates an annual income of £770,000 at current charges for cremations, based on an average number of cremations of 1900 per annum. The council currently pays £43,000 per annum to maintain the existing plant.
- 3.6 The specification for the works will include energy efficiency measures wherever practicable including the re-cycling of excess energy from the crematorium process to heat the adjoining chapels. Due to the improved efficiency and capacity of the proposed

new plant the tender process will explore reducing the number of cremators installed to reduce energy consumption further. It will also hopefully be possible to maintain a limited cremation service during the period of time when the new plant is being installed, as careful consideration will be taken to ensure works are carried out at a time where the business is quieter (August / September).

- 3.7 The council has been planning for the replacement of the cremators and over the past five years an environmental levy of £35 has been applied to each cremation we have carried out and this has been 'put aside' to part fund the cost of the new cremators and adaptations. The current balance that has been put aside is £352,000 with an estimated additional £70,000 from this financial year (based on 2000 cremations at £35). Therefore by the end of the current financial year £422,000 could be held in reserve to part fund the cost of the replacement and adaptations. The additional monies charged in preparation for mercury abatement will also generate an additional income stream in the future, which can be used to fund borrowing.
- 3.8 Woodvale Crematorium currently maintains the market share of cremations in the city. The privately owned Downs Crematorium, adjacent to the Woodvale site on Bear Road, is operated by Dignity Funeral services (who manage some 30+ crematoria across the country). Woodvale's market share of cremations has seen a generally increasing trend over the last five years as compared to Downs Crematorium who have seen decreasing numbers.

Year	Woodvale	Downs
2005	1825	1324
2006	1815	1315
2007	1810	1682
2008	1782	1332
2009	2029	992
2010	2106	855
2011	2078	918

#### 4. PROCUREMENT TIMETABLE:

- 4.1 The deadline for installation of the abatement technology is December 2012. Benchmarking undertaken last year by Procurement against other local authorities who have installed the technology suggests that;
- there is a limited number of suppliers within the marketplace for this type of work
  - there is, on average, a 16 week lead time for the manufacture of the equipment
  - there is, on average, a 14-20 week installation time for the equipment
- 4.2 The estimated value of this project, £1.2m, is above the EU threshold for Services contracts and as such will need to be competitively tendered and OJEU compliant. Market conditions would favour the use of an Open procedure, rather than pre qualifying suppliers as in the restricted procedure. In lieu of the Open procedure the council has the option to 'call-off' from an OJEU compliant framework which will reduce the time to procure significantly. The project team are working to identify and assess suitable existing frameworks. Corporate Procurement has notified the team of the timescales above and the need to begin the procurement process as a matter of urgency.
- 4.3 Sufficient time to complete the installation to meet the deadline is a key risk with this project.

## 5. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 5.1 The purchase of new plant and equipment that addresses mercury abatement and replacement cremators is estimated to be in the region of £1,200,000 and will be funded using a combination of reserves set aside specifically for replacement equipment at Woodvale plus borrowing. The mercury abatement reserve currently stands at £352,000 with an estimated additional £70,000 contribution this financial year providing a total of £422,000 available resources. The additional £778,000 funding will be met through borrowing over a 15 year period with the borrowing costs estimated at circa £70,000 pa being met through the existing income contribution of £35 levy per cremation.
- 5.2 Any maintenance costs associated with the new equipment will be met from the existing revenue maintenance budget with potential savings being available on maintenance budgets as a result of the installation of newer equipment. The new energy efficient equipment may provide opportunities to reduce energy costs in particular heating at the Woodvale site. The new equipment will also provide the council the opportunity to reduce carbon emissions which may reduce the council's Carbon Reduction Commitment payments.

*Finance Officer Consulted: James Hengeveld      Date: 16 January 2012*

### Legal Implications:

- 5.3 The procurement of new crematorium equipment must comply with all relevant European and UK public procurement legislation, as well as the council's own contract standing orders (CSOs).

CSO 3 provides that any procurement exercise valued over £500,000 may only be authorised by the Executive. As such, Cabinet has the requisite authority to approve the procurement of replacement crematorium equipment valued at £1.2m and to delegate to the Strategic Director Resources authority, following a compliant procurement process, to approve its purchase and installation.

*Lawyer Consulted: Oliver Dixon      Date: 16 January 2012*

### Equalities Implications:

- 5.4 There are no implications for equalities with this proposal.

### Sustainability Implications:

- 5.5 Compliance with environmental legislation is of utmost importance for managing the impact council activities have on the environment. Replacing the burners at Woodvale will ensure the council complies with new legislation. There is an opportunity to make the site more energy efficient and to reduce carbon emissions by capturing 'waste heat' and using this for heating and lighting around the Woodvale complex (reducing the consumption of natural gas).

### Crime & Disorder Implications:

- 5.6 There are no implications for Crime and disorder with this proposal

### Risk and Opportunity Management Implications:

- 5.7 Efficiency of the equipment: without large scale investment ageing plant equipment will continue to cause high energy bills through inefficiency, furthermore maintenance costs will remain high due to the age and requirements of the equipment.
- 5.8 Carbon Reduction Commitment: The cost of the CRC is set to kick in and wasted carbon comes at an increasing penalty to the council.
- 5.9 Energy prices: Energy prices are set to rise by around 15% in the next year and further rises are expected across the next decade. This will lead to increased budgetary pressures if there is not the most efficient possible equipment installed.

Public Health Implications:

- 5.10 Mercury is a known toxin. Although present emissions meet current standards, the introduction of far more stringent and demanding standards from 31 December 2012 indicates that there is a public health benefit that can be achieved from reducing emission levels. The health impact of emissions is not localized and can affect land, water and air.

Corporate / Citywide Implications:

- 5.11 A demonstration of energy efficiency measures being installed in all aspects of the council. This is part of the Energy and Water Teams series of works to demonstrate improvements across the Council's portfolio.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 The Council's Energy & Water Team have investigated an alternative funding option of an Energy Services Performance Contract (ESPC) which included the following key features:

- A potential district heating scheme to sell excess heat energy produced as a by-product of the crematorium process to partner organisations.
- Recycling of surplus energy to heat the Woodvale Chapels, replacing the existing inefficient electric heaters.

- 6.2 Unfortunately during the investigation no suitable potential partners were identified and this option is therefore not considered to be financially viable.

- 6.3 However the potential for recycling excess energy and energy efficient measures will be considered within the proposed procurement process and included in the tender documents wherever practicable.

- 6.4 Whilst the mercury abatement technology can be retro-fitted to the existing cremators this would require substantial alterations to the existing building and would not address the issue of the cremators which are nearing the end of their useful life. This option is therefore not considered to be economically viable.

**7. REASONS FOR REPORT RECOMMENDATIONS:**

- 7.1 New legislation, coming into force on 31 December 2012, requires all crematorium operators to reduce the levels of mercury emissions from their operations by 50% initially increasing to 100% by 2020. This will require the installation of new mercury abatement plant to

- 7.2 At the same time the existing cremators have reached the end of their economic life and require replacement. Modern cremators are more efficient and fewer cremators will

therefore be needed, reducing gas consumption at the site. We are also proposing to explore other possible energy efficiency measures including re-cycling excess energy to heat the adjoining chapels.

- 7.3 It is therefore recommended that Cabinet approve the project to replace the existing cremators, install the necessary mercury abatement plant to meet new legislation and introduce energy efficient measures as detailed in the report.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Documents In Members' Rooms**

None

### **Background Documents**

Document is Restricted





Document is Restricted



Document is Restricted

