

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

Signed

Chair

Dated this

day of