Directorate Budget Strategies - Summary Table

	Culture & Enterprise £'000	CYPT £'000	Environment £'000	Finance & Resources £'000	Strategy & Governance £'000	ASC&H - Housing & Section 75 LD £'000	ASC&H - ASC & Section 75 Health Led Services £'000	General Fund Total
2009/10 base budget	11,121	45,229	36,212	18,643	11,732	27,145	48,685	198,767
Inflation	112	686	439	172	127	391	767	2,694
Service Pressures	637	4,564	1,482	920	70	2,736	1,934	12,343
Reinvestment	236		250	354	200			1,040
Efficiency Savings	-393	-1,462	-756	-1,046	-329	-2,221	-2,671	-8,878
Other Savings	-227	-1,540	-879	-355	-83	-356	0	-3,440
2010/11 Budget Strategy	**11,486**	**47,477**	**36,748**	**18,688**	**11,717**	**27,695**	**48,715**	**202,526**

Staff posts affected	15.0	14.0	11.0	25.0	16.0	0.0	51.0	**132.0**
Estimated posts deleted FTE	11.5	9.7	6.0	20.0	10.0	0.0	38.5	**95.7**
Estimated Redundancies FTE	11.5	0.0	3.0	13.0	2.0	0.0	22.0	**51.5**

CULTURE & ENTERPRISE DIRECTORATE 2010/11 BUDGET PROPOSALS

Strategic Context and Direction of Travel

The Directorate combines and represents much of what is best known and positively viewed about the city. The services delivered and supported consistently come out high in satisfaction surveys, as seen again in the most recent Place survey results.

The Directorate faces significant continuing financial pressures arising from the recession including fluctuating visitor numbers, price sensitivity, ambitious income targets and reduced likelihood of attracting external funding and sponsorship. In addition there is a need to invest in our buildings and meet the maintenance requirements of the Brighton Centre in order for the building to function effectively for the remainder of its life.

The Directorate like the rest of the Council is rethinking what is provided and affordable while still investing in service improvement and making all possible efficiencies.

Strategic response to this context

The overall cash limit increase for the Directorate in 2010/11 is £365,000, including a one off allocation from general reserves of £180,000. Unavoidable funding pressures total £873,000 and inflationary rises are expected to cost £112,000 meaning savings of £620,000 are required to balance the budget and achieve £236,000 re-investment in the services.

The Directorate response includes:

- Reducing costs in most services, through identifying improvements in customer service and efficiency across the Directorate over 3 years.
- Giving even better value from our services by improving performance and efficiency through a customer focus, technology, and better business processes.
- Maintaining income levels where possible by broadening the range of activities, offering online payment services, and securing sponsorship.
- Improving value for money more widely through collaboration, business partnership, and alternative models of service delivery. For example community libraries as community hubs.

Financial and Service pressures

The main financial and service pressures on the Directorate are shown in the following tables.

Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy	**2010/11 £'000**
Royal Pavilion, Museums and Venues income shortfall	360
New rateable values for the Royal Pavilion and Museums	40
New rateable values for Venues	45
New rateable values for Libraries	12
TOTAL	**457**

Table 2 - Service Pressures as a result of grant funding coming to an end (dealt with as part of the budget strategy)	**2010/11 £'000**
Loss of government grant for Castleham Supported Employment service	180
TOTAL	**180**

The Directorate has financial pressures as a result of DWP grant funding for the Castleham Supported Employment service coming to an end part way through next year. A one off allocation from general reserves of £0.180m has been made to the Directorate to keep the service open during 2010/11while careful consideration is given to the options for the future of the service and employment of its staff.

Proposals for Main Service Areas

Tourism & Venues

The approach to the 2010/11 budget is to review Tourism and Venues back office support functions to save £68,000. As both Tourism and Venues generate a significant proportion of the gross expenditure from revenue, the proposals for 2010/11 are intended to create the required savings without jeopardising current and future revenue streams. A proposal regarding the use of the Brighton Centre re-development reserve was agreed at Cabinet on 9 December 2009 and this will help alleviate maintenance pressures and provide for service improvement which can in turn generate improved revenue and better economic impact.

Royal Pavilion & Museums

The approach to the 2010/11 budget setting process is to minimise impact on the service's ability to deliver council priorities, contribute to the Local Area Agreement commitments (schools and visitor figures), maintain satisfaction levels, deliver the 2009-11 Renaissance programme and achieve income targets at the Royal Pavilion. It is proposed to:

- Delete vacant posts in conservation and design, guiding, marketing, interpretation and curatorial teams where the service has already been reshaped to absorb impact - estimated £118,500.
- Reduce senior management and administration roles and costs - estimated £126,500.
- Recover costs of £20,000 for the Security and Fire Manager by 'selling' on expertise such as to other regional museums. There is also an opportunity with the 24 hour staffed control room to be able to offer a monitoring service to other services and organisations.

- Matching services more closely to demand. It is proposed to introduce timed tours at Preston Manor as by managing entry in this way overhead costs can be reduced and better value for money achieved. Timed ticket access with guided tour is used at other sites e.g. Charleston. Some 82% of visits at Preston Manor are currently through events and pre booked groups. Estimated saving of £25,000.
- Reduction in supplies services and premises costs £30,000 through a review of contracts and supplies budgets.

Libraries & Information Services

The approach to the 2010/11budget is to:

- Reduce supplies and services costs generating savings of £40,000 including reductions in spend on materials, reproduction costs, stationary, exhibitions and events, and in the use of specialised services.

Culture & Economy

The approach to the 2010/11 budget is to make a small reduction in the contribution to the Brussels office of £2,000 to take it to £4,000 per annum; maintaining our membership at a minimal level in order to ensure we retain the ability to influence the development of funding regimes and decisions and continue to receive specialised information services. Additionally, to use external funding to support the Business Forum generating savings of £40,000. This will provide continuing support to this essential element of business infrastructure for the city's Business Forum and the Chamber of Commerce. Finally, to take advantage of low RPI inflation on the Dome contract generating savings of £25,000.

Major Projects & Regeneration

The approach to the 2010/11 budget will deliver £70,000 savings by:

- Streamline the management structure resulting in the deletion of a senior management post to create one core team of professional Project Managers with appropriate support.
- Continue to build consensus and revisit the prioritisation of projects.
- Strengthen the Team's consistent approach to the design and delivery of projects by sharing project experience, knowledge and learning across the team.
- To ensure that where projects are being developed in the same geographical area or within close proximity to each other, such as Moulsecoomb/Falmer or the seafront, procedures are put into place to establish project collaboration in order to make the best use of development opportunities e.g. management of traffic and logistical issues.

Director's Office

The approach to the 2010/11 budget is to share support functions across the directorate generating savings of £25,000 and to reduce Supplies and Services costs by cash limiting the budget saving £30,000.

Reinvestment

In the budget proposals the Directorate proposes to provide reinvestment of up to £236,000 to fund:-

- Royal Pavilion & Museums service pressures of £190,000 to support the review of commercial service management and to reduce income targets to a level that is achievable within the current economic climate in admissions and the commercial enterprises.
- Investment in modernisation of Libraries Services of £46,000. This will be through either e-books, online and self service technologies and improvements to stock in line with public demands thereby delivering better value for money.

Staffing Implications for the Directorate:

In 2010/11 latest estimates indicate some 15 staff posts will be affected.

Key Risks:

The recession may impact on areas such as visitor numbers, income and external funding. The position will be volatile and difficult to predict and will be closely monitored with alternative strategies and in-year recovery measures developed if necessary.

Culture & Enterprise						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures & Reinvestment	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000
Tourism & Venues	1,637	5	45	-68	0	-18
Royal Pavilion & Museums	2,198	7	590	-300	-20	277
Libraries & Information Services	4,096	55	58	0	-40	73
Culture & Economy	2,508	36	180	0	-67	149
Major Projects & Regeneration	472	6	0	0	-70	-64
Directors Office	210	3	0	-25	-30	-52
TOTAL	**11,121**	**112**	**873**	**-393**	**-227**	**365**

CYPT DIRECTORATE 2010/11 BUDGET PROPOSALS

Strategic Context and Direction of Travel

Good progress was made in terms of managing expenditure in 2008/09 with a reduction in numbers and associated spend on Looked After Children. In 2009/10 however, national events in relation to child protection and safeguarding following the death of Baby P have placed the department's budget under very significant pressure.

This pressure relates, in the main, to the following areas:

- Child Agency and In House Placements
- Services for Care Leavers
- Legal/Court costs
- Area Preventative Payments

Strategic Response to this Context is:

The overall cash limit increase for the directorate in 2010/11 is £2.248m, £1.562 million above the inflation allowance. Unavoidable funding pressures totalling £4.564 million (table 1) have been identified which means that savings of £3.002 million are required to balance the budget. Any investment in services would require further savings.

In developing these budget proposals it has been essential to secure efficiency savings whilst at the same time developing a robust strategic and transformational approach to the increased demand arising as a result of the aftermath of Baby P, the implementation of Laming recommendations and the introduction of the Public Law Outline.

The main elements to the budget strategy include:

- Savings in leadership and management with the third stage of a major restructure completing in 2010/11
- Realignment and reprioritisation of existing budgets and grants to ensure the safe management of increased demand at the frontline particularly in relation to social work
- Focus on efficiency and value for money particularly in high cost high spend areas such as agency placements
- Transformation of service provision through investment in Early Intervention and Prevention

In the short and medium term, the approach will be to ensure existing services are focussed on families most at risk. This will involve sharper targeting and improved multi agency focus in the development of a Team around the Family approach. The current Family Pathfinder Project will be central to informing the development of effective early intervention and prevention in the longer term to ensure the cost benefit of this new way of working.

Financial and Service Pressures

The main financial pressures on the Directorate's services are shown in table 1 below:

Pressure	**2010/11 £'000**
Corporate Critical	
Disability Agency Placements	80
Independent Foster Agency (IFA) placements	1,758
Residential Agency Placements	391
Secure Accommodation	166
In-House Placements	766
Care Leavers	77
Corporate Critical Total	**3,238**
New requirements stemming from the creation of the Independent Safeguarding Authority & additional costs of Local Safeguarding Children's Board	21
Unaccompanied Asylum Seeking Children	100
Southwark Judgement	87
Legal Costs	550
Section 17 preventive payments	250
Emergency Duty Service	80
Storage of records	50
BHCC CYPT Total	**4,376**
Community Health Budgets	
Feeding Sets and Orthoses	88
Health Savings requirement	100
Community Health Budgets Total	**188**
Brighton & Hove Teaching PCT	**0**
CYPT Total Budget Pressures	**4,564**

CYPT 2010/11 budget pressures total £4.564m. With identified savings of £2.062m and the above inflation cash increase of £1.562m the resultant unfunded pressure is £0.940m. Initial work with Impower has taken place as shown later in the strategy under value for money programme in CYPT. The initial figures suggest potential savings in 2010/11 of £0.987m to offset the £0.940m shortfall.

There are no service pressures within CYPT as a result of grant funding coming to an end.

Proposals for Main Service Areas

Area Integrated Working

Social Work and Health Visiting are experiencing increased demand for their services and it is therefore difficult to identify budget savings in staffing costs in these areas. For 2010/11 £500,000 will be saved by off-setting core activities against any available flexibility in grant funding streams instead of using those grants to fund additional services. There will be a £100,000 reduction in the Graduate Leader Fund. Both of these grants are part of the Council's Sure Start funding allocation.

£200,000 (approximately 10% of the grant) from the Connexions grant (part of the Area Based Grant) are proposed by reducing the commissioning cost of grant supported, or contracted services or contracts and making some reductions in areas that are not achieving sufficient value or outcomes. £141,000 will come from reductions in 3rd tier management posts as part of the current CYPT restructure.

Learning, Schools and Skills

A 10% saving on the home to school transport budget is proposed which is equivalent to £332,000. It will require reviewing and significantly changing the criteria for the allocation of transport to children and young people who have Special Educational Needs (SEN) or are unwell or otherwise vulnerable. In future a transport panel will look at an overall transport assessment to decide if a pupil is eligible for transport. In addition a number of other options to save money will be explored. These include:

- Central pick up points rather than door to door travel for some pupils;
- A points system for agreeing transport;
- Options for reducing vehicle numbers by re-routing;
- Where appropriate no additional trips if children are not ready for transport at normal pick up time;
- A review of contract terms on retendering home to school transport contracts;
- In collaboration with the SEN team reducing the numbers of pupils travelling across the City where a more local special place would be cheaper for transport;
- Revising transport assessment and review forms for pupils with SEN;
- Considering increased use of in-house vehicles for some home to school travel routes if that proves cost effective.

A range of smaller efficiency savings and modest increases in income will be made across a number of other budgets with no one saving being above £20,000 but totalling £177,000 in all.

Staff and responsibilities relating to the Learning Skills Council will transfer to the CYPT from April 2010. The financial risk relating to this transfer will be assessed as more information becomes available.

Citywide Services

Given that the overall strategic direction for the CYPT is towards prevention and early intervention, budgets in the appropriate teams or services have been preserved, where possible, whilst re-aligning the spend on some highly specialist services such as fostering and adoption and Youth Offending, because spend in those services is above the level of comparator authorities. The saving in the fostering and adoption service is achieved by mainstreaming the concurrency service thereby saving £120,000 from its current stand alone team. A further £150,000 will be released from the currently underspending adoption allowances budget.

£126,000 will be saved from the Youth Offending Service by funding a part time teacher from the Dedicated Schools Grant (DSG), reducing the hours of office manager support, reducing the number of hours of Youth Justice workers and a switch in funding for the Head of Youth Strategy from a vacant senior management post. Performance indicators for the Youth Offending Service also show a downward trend in young people committing offences in Brighton & Hove.

£168,000 is proposed to be saved through a reduction in the disability agency placement budget as a result of a reduction in the anticipated number of placements.

Strategic Commissioning and Governance

Savings will be made from staffing and supplies and services of £48,000.

Further savings to deliver a balanced budget

Proposals are emerging to ensure the identification of more cost effective placements which meet the needs of the children and young people in care both as a result of better tailoring of care packages and also by reducing the levels of commissioned spend through better procurement. These are detailed in the value for money programme below.

Value for Money Programme in CYPT

A value for money programme has been developed to secure a complex transformational approach to service improvement and efficiency. The programme will run for three years and will secure a potential maximum saving of £987,000 in 2010/11. In the budget strategy £940,000 has been included to balance the budget.

There are three main opportunity areas for improved efficiencies identified:-

- Targeting of prevention
- Care planning and processes
- Procurement and Commissioning

1) Targeting of prevention

Improved targeting of preventative service provision will focus on further development of the Team Around the Family (TAF)/Team Around the Child (TAC) approach to secure savings of £225,000. Learning from the Family

Pathfinder/Family Intervention Project will be used to improve family support packages in the community, particularly for families at risk from substance and/or alcohol misuse and domestic violence.

Analysis of pre-birth assessments over last 12/18 months will be used to identify more cost effective interventions including a reduction in the number of high cost mother and baby placements to secure a saving of £80,000.

2) Care Planning and Processes

An audit of residential placement for Looked After Children will be undertaken and placements for all Looked After Children will be reviewed as part of an agreed cycle with a target saving of £300,000.

Joint decision making processes will be improved in relation to joint care packages and efficiencies of £54,000 secured.

3) Procurement and Commissioning

Targeted recruitment of in-house foster carers will save £28,000. Review of all contracted services and commissioning and procurement arrangements will save an estimated £300,000.

Staffing Implications for the Directorate:

In 2010/11 approximately 14 posts are affected by the budget proposals

Key Risks:

Assumptions about the numbers of children and young people who will enter and leave the care system are critical to the overall budget for CYPT. Delivering savings on the corporate critical budgets will require very close performance management, governance and cross agency working to ensure safeguarding responsibilities are fulfilled.

A significant quantity of savings are proposed from using specific grants to offset existing expenditure. This can be legitimately done within the grant conditions although there is an expectation that these grants are used to provide additional services.

2010/11 Budget proposals summary:

Main Service Area	Adjusted Base Budget 2009/10	Inflation	Service Pressures	Efficiency Savings	Other Savings	Impower savings required to balance budget	Net Change in Budget to 2010/11
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Director	-268	10	50	0	0	0	60
Area Integrated Working	12,572	147	1,064	-341	-600	0	270
Learning, Schools and Skills	6,087	68	0	-25	-484	0	-441
Citywide Services	25,028	433	3,241	-120	-444	-687	2,423
Strategic Commissioning and Governance	1,810	28	209	-36	-12	-253	-64
TOTAL	**45,229**	**686**	**4,564**	**-522**	**-1,540**	**-940**	**2,248**

ENVIRONMENT DIRECTORATE 2010/11 BUDGET PROPOSALS

Strategic Context and Direction of Travel

The Environment Directorate shapes the appearance of the city and leads the creation of a public realm which is safe for residents and visitors. To do this, there are a complex range of services and funding arrangements to deliver as much money as possible to actual service delivery on the ground. There is a mix of financial arrangements such as capital projects funded through the Local Transport Plan (LTP) and other external grants for the community safety work. There is also a mix of types of provision to best meet the city's needs such as use of external contractors, for example NCP for parking enforcement and Veolia for the provision of waste disposal services.

There are significant reductions in Area Based Grant (ABG) both in 2010/11 and 2011/12 which affect the Partnership Community Safety Team despite an additional £250,000 already being built into the base budget for this service.

Strategic Response to this Context is:

The overall cash limit adjustment for the directorate is a reduction of just over £0.2m meaning that the directorate has a £0.2m budget pressure to fund before dealing with its own service pressures. Unavoidable service pressures and loss of government grant income totalling £1.2m mean savings of over £1.4m are required to balance the budget. Savings in excess of this have been achieved which has allowed £300,000 of service reinvestment to take place.

Over the last two years the directorate particularly focussed delivery of savings in Cityclean where there have been significant opportunities for efficiency savings through streamlining and modernising services and increasing productivity. This year savings in this area are primarily linked to reductions in waste levels.

Only modest increases in parking charges are proposed this year.

A range of other opportunities to improve value for money and generate additional income have been identified. This will help mitigate against the loss of £792,000 of grant funding, which relates in the main to the loss of ABG in the Public Safety division. Of the grant loss, £400,000 will be replaced in this budget strategy by mainstream funds. It is not possible within the current budget strategy to directly replace the remaining lost grant, which will therefore be found through savings.

Financial and Service Pressures

The main financial pressures on the Directorate's services are shown in tables 1 and 2 below:

Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy	**2010-11 £'000**
New rateable values for our buildings & car parks	100
Reduction in Development Control income	230
One off costs of Public Planning Enquiries	250
No inflationary increase for Penalty notices	110
TOTAL	**690**

Table 2 - Service Pressures as a result of grant funding coming to an end (partly dealt with in this budget strategy)	**2010-11 £'000**
Loss of Area Based Grant Funding	762
Reduction in Drug Intervention Grant	30
TOTAL	**792**

Approach to Savings in 2010/11:

Public Safety

The division has had to deal with a significant loss of grant income, which has required savings of £142,000. Savings will also arise following amendments to contracts and a realignment of spend towards prioritised services which will generate savings of £213,000. Management changes should deliver a further £100,000 savings. The total savings for the division are therefore £455,000, which are partly offset next year by a £75,000 one off contingency against redundancies.

City Services

The full year effect of the service changes delivered in 2009/10 exceeded projections in the original business plan and means the service will produce £200,000 in efficiency savings for 2010/11. The continued reduction in waste levels in the city will provide a saving of £230,000.

Sustainable Transport

Efficiency savings of £80,000 will be generated from bringing maintenance of parking machines back in house following termination of the Parkeon Contract. The majority of parking tariffs will be frozen in 2010/11. There will be an increase in short stay tariffs in selected areas. This is likely to mainly affect central Brighton areas and city centre car parks but should deliver about £378,000 of increased income

Subsidised bus services currently cost the council £1.505m. Currently we spend £49.63 per head on public transport with the average across unitary authorities being £20.73. Savings of £97,000 can be made by removing the subsidy no longer required for the number 27 bus which replaced the park and ride service during 2009/10.

City Planning

For 2010/11 the proposals are to reduce advertising costs, saving £30,000 and generate efficiencies from the application of the 'systems thinking' (see note at the end of the appendix) review methodology to achieve further savings of £50,000.

Sport & Leisure

There will be a full review of rents for seafront properties, ensuring that we retain fair and reasonable rents. This is expected to generate additional income of £80,000. It is proposed to build and sell 17 new beach huts (subject to planning permission) on the promenade adjacent to Hove Lagoon, which should generate a further £80,000. We will carry out a review of the programme and pricing structure for outdoor events which should generate a minimum amount of £10,000. We are currently looking to outsource the management arrangements for the council's two golf courses at Hollingbury Park and Waterhall subject to Cabinet agreement, which we anticipate will secure a £20,000 annual saving.

Reinvestment

In the budget proposals the Directorate proposes to provide reinvestment of up to £250,000 to fund:-

- Additional investment seafront maintenance of £100,000 recurrent funding including an enhanced painting programme for the seafront railings.
- The operating costs for a new gum removal service.
- £100,000 towards the Winter Maintenance programme.

Staffing Implications for the Directorate:

The main impact on staffing as a result of these budget proposals are in Sustainable Transport Division and in Public Safety due to the changes in management arrangements and the loss of some ABG.

Key Risks:

The routes affected by the reduction in subsidised bus routes will need to be determined and consulted upon. The services affected by the loss of ABG will need to be determined taking into account the risk and impact of the various initiatives funded in this way.

2010/11 Budget proposals summary:

Environment						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures & Reinvestment	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000
City Planning	2,294	28	480	-80		428
City Services	29,615	359	50	-430		-21
Sport & Leisure	2,085	25	50	-20	-170	-115
Public Safety	3,472	42	792	-146	-234	454
Sustainable Transport	-1,254	-15	360	-80	-475	-210
TOTAL	**36,212**	**439**	**1,732**	**-756**	**-879**	**536**

FINANCE & RESOURCES DIRECTORATE 2010/11 – 2012/13 BUDGET PROPOSALS

Strategic Context and Direction of Travel

The context of our service and financial planning for 2010/11 to 2012/13 includes significant continuing financial pressures arising from the recession in particular commercial rents, land charges income and business rates revaluation which impact on the council's main corporate buildings and reductions in benefits administration grant at a time of increased demand.

In addition the Directorate needs to provide robust and responsive support services which support the council through major changes at low cost.

The Directorate like the rest of the Council will need to rethink what is provided and affordable while still investing in improvements and making all possible efficiencies.

Strategic response to this context is:

Unavoidable service pressures, and a reduction in government housing benefit administration grant totalling £1.190m, together with inflationary pressures mean the directorate is required to find £1.25m in savings to balance the budget.

To achieve the cash limit the directorate is improving value for money by:

- Using the 'systems thinking' reviews[1]. This approach checks that all our work adds value to the customer and there is no waste duplication in our processes.
- Ensuring our internal and external customers access the right advice and support the first time they contact us and in the most appropriate and cost-effective way, whether face to face, by telephone or through the web.
- Supporting improved income collection and recovery in our services and across the council, for example, through better payment facilities and cash management.
- Improving procurement, our use of office accommodation and technology, and ensuring that temporary resources are available to deliver major initiatives in this area which will deliver longer term savings.

[1] Explanation of 'systems thinking' reviews is given at the end of this appendix

Financial and Service Pressures

Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy	**2010-11 £'000**
Reduction in land charges income	200
New rateable values for our corporate buildings	70
Reduction in Commercial Rental income and associated increase in empty property business rates.	500
TOTAL	**770**

Table 2 - Service Pressures as a result of grant funding coming to an end (dealt with as part of the budget strategy)	**2010-11 £'000**
Reduction in Housing Benefit Administration Grant from the Government	150
TOTAL	**150**

Approach to savings in 2010/11:

Property Services

Effective procurement of corporate cleaning and small facilities contracts and contract efficiencies from reactive maintenance and responsive repairs in civic and environment buildings will deliver £135,000.

Restructuring of the facilities post and security teams to deliver staffing savings of £55,000.

Customer Services

Improve council tax collection through implementation of the findings of the enforcement review and using an external firm to challenge and review single person discounts is expected to deliver an additional £335,000. Providing the opportunity to pay by credit card for council tax and business rates with a charge for the transaction costs should generate a further £10,000. In future we will consider how payments using credit cards can be extended to other services.

£60,000 is proposed to be saved by applying the 'systems thinking' review methodology to reduce processing costs in housing benefits. A further £46,000 will be generated from other smaller efficiencies.

ICT

Staffing savings of £180,000 will be made as a result of making more effective use of existing contracts for cabling and PC deployments and reducing management costs. A reduction in the frequency of PC replacements as a result of better application delivery will deliver £63,000. One off savings from the Microsoft Enterprise Agreement budget which does not need renewal in 2010-11 will amount to £257,000.

Finance

It is proposed to fundamentally redesign the finance function through a 'systems thinking' review to further reduce costs but enhance investment in business partnering and quality of information. This will deliver £180,000 in

2010/11. We will absorb costs within existing staffing structure for the administration of insurance small claims handling and the new Brighton & Hove only concessionary fares scheme and make savings on external audit fees by placing greater reliance on internal audit to save a further £80,000.

Reinvestment

The savings proposals generate an additional £184,000 one off resources in 2010/11 and this will be invested on a spend to save basis in a range of areas as follows:

- Internal project management to reduce the council's requirements for office accommodation.
- Internal project management to improve access to council services for our customers.
- A Business Analyst post to support the "systems thinking" reviews across a range of council services.
- Additional capacity in the strategic procurement team, particularly with category management expertise.
- An Energy Analyst post to provide robust information to ensure we can reduce our ongoing energy consumption in the light of carbon trading requirements and the 10:10 commitment

A one off allocation from general reserves of £170,000 has been made to fund:

- Support for the delivery of the council's 10:10 commitment
- Additional internal programme and project management capacity to ensure the delivery of the savings proposals for 2010/11.

Staffing Implications for the Directorate:

In 2010/11 approximately 25 posts are affected by the budget proposals, with 20 posts being deleted. There is a possibility of up to 13 redundancies although every effort will be made to keep this number to a minimum e.g. through redeployment.

Key Risks:

The recession may impact on areas such as commercial rent income, business rates (empty properties), local land charges (due to the housing market) and housing benefit administration if the number of claimants continues to increase. The position will be volatile and difficult to predict and will be closely monitored with alternative strategies and in-year recovery measures developed if necessary.

Volatile energy costs can have a significant impact in life event services, the corporate accommodation portfolio, and capital schemes. Energy efficiency measures can help to mitigate some of this risk but this depends on the level of any future increases.

2010/11 Budget proposals summary:

Finance & Resources						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures & Reinvest ment	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000
Finance & Procurement	6,016	83	100	-250	-10	-77
ICT	5,602	41	50	-500	-	-409
Property & Design	2,911	21	724	-190	-	555
Customer Services	4,114	27	400	-106	-345	-24
TOTAL	**18,643**	**172**	**1,274**	**-1,046**	**-355**	**45**

STRATEGY & GOVERNANCE DIRECTORATE 2010/11 BUDGET PROPOSALS

Strategic Context and Direction of Travel

Strategy & Governance is a small directorate at the centre of the organisation and 25% of the budget supports external third parties (such as grant funding to the Community and Voluntary Sector) and members allowances. Around 30% of the total budget comes from recharging internal clients or trading externally with third parties.

The recession has impacted on the legal services team through a reduction in the number of revenue generating property transactions and there are significant workload increases as a result of the levels of child protection activity.

Strategic Response in this Context:-

The total savings required across Strategy & Governance to meet the residual service pressures, inflation and to result in a net change in the budget of a saving of £15,000 are £412,000. The focus is:

- Reducing costs in the back office by implementing new technology (e.g. investment in an HR system that will go live in October 2010 and the modern.gov system for Democratic Services).

- Transform our approaches to service delivery, ensuring value for money and higher quality and designing new approaches (for example in external communications, grant aiding to the Community and Voluntary Sector, business planning, internal communications, legal services expenditure, HR support to service directorates and schools, etc.).

- Ensuring the organisation has the capacity to tackle the “big issues” that are essential for our longer term health.

- Reduce management layer costs where appropriate.

- Maximising opportunities to gain income from third party transactions (e.g. providing legal and communications services on a traded basis to other public service bodies).

- Actively seeking sponsorship or partnership funding for key activities (e.g. Celebrating Excellence awards).

Financial and Service Pressures

The main financial pressures on the Directorate's services over the next three years are shown in table 1 below:

Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy	**2010-11 £'000**
Economic downturn impact on Legal Services	70
TOTAL	**70**

Other pressures have been mitigated through renegotiating funding levels with service departments. There are no service pressures within Strategy & Governance as a result of grant funding coming to an end.

Approaches to savings 2010/11

Human Resources

The new HR system is central to the delivery of Human Resources financial strategy. The new system will not only enable continual improvement to the customer experience but also drive out efficiency savings from within HR and the organisation, all within the context of a modern, efficient, timely and accurate HR service. The identified savings of £111,000, will be delivered by a combination of employee/manager self service which will stop the duplication of data entry, the introduction of electronic pay slips, improved recruitment cycle flow, remote input of time sheets and automated sick pay and pension routines. It is anticipated that there will be a reduction of 6 full time equivalent administration posts from within the People Centre in addition to any reduction of posts required to repay the capital costs of the HR system.

Communications

The Communications Team is completing an extensive internal and organisational VFM review of communications and print & design in order to identify the resources currently employed by the council and to consider and develop more effective ways of using these resources in order to reduce cost, improve reputation, deliver a consistent message and to strengthen the brand. The review is expected to generate savings of £102,000 from advertising budgets across directorates. Communications are proposing savings of £35,000 this will be delivered by a combination of further reorganisation of its internal structures and rationalising the use of existing software used within the service.

Legal & Democratic Services

The total savings proposed are £20,000 and comprise £5,000 from developing the Mayor's Parlour for wedding and civil partnership ceremonies on Saturdays when the Parlour is not in use, £12,000 from reorganising the provision of Scrutiny arrangements and £3,000 from more effective use of Legal Support.

These savings are in addition to action in place to manage pressures down by a combination of maximising all income streams, securing additional funding from clients where appropriate, reviewing the level and scope of the service offered, developing shared services with neighbouring authorities and by

reviewing the management and staffing arrangements to maximise efficient use of resources.

Improvement and Organisational Development (IOD) and Policy

In line with the desire to refocus parts of the organisation, it is proposed to effectively merge the functions of IOD and the Policy Unit as currently set up. We will delete two Assistant Director posts and use part of the saving to reinvest in service areas, supporting key agendas and developing the next generation of leaders in these areas. It is expected that the net cost of the reshaping of IOD and Policy will result in a reduction of cost of £40,000. A further £20,000 will be realised in additional support from external partners to support work on strategic commissioning and joining up funding arrangements.

Across the Directorate

Supplies and services cost reductions and increased vacancy control, which with small savings within Initiative budgets have resulted in efficiency savings of £84,000.

Investment

Resources have been made available to fund an identified need to develop an approach to community based investment in service for “pre youth” 9-12 year olds. Connecting to communities and older role models and ensuring good entries to adolescence.

Staffing Implications

Across the directorate it is anticipated that there may be up to 16 staff affected representing 10 full time equivalent posts. The majority of staff affected are within HR and it is expected that most of theses posts will be those on short term contracts with the balance being redeployed to avoid redundancy. However, there are two posts in other service areas where redundancy is likely.

Risks

The downturn in property market continues to reduce income to legal services and unforeseen legislative changes requiring additional resources after the general election. Any delay to the implementation of the HR system will mean that the efficiencies will not be achieved before we need to reduce staff numbers.

2010/11 Budget proposals summary:

Strategy & Governance						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures & Investment	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000
Human Resources	2,874	20		-143		-123
IOD	1,654	21		-3	-20	-2
Legal & Democratic	1,941	13	70	-16	-12	55
Policy Unit	2,804	48		-13	-30	5
Director of S&G	434	6	200	-3	-21	182
Executive Office	391	5		-6		-1
Communications	568	3		-145		-142
Members Allowances	1,066	11		0		11
TOTAL	**11,732**	**127**	**270**	**-329**	**-83**	**-15**

HOUSING STRATEGY AND LEARNING DISABILITIES 2010/11 BUDGET PROPOSALS

Strategic Context and Direction of Travel

Housing Strategy & Learning Disabilities division contributes to the city's ambitions in the Community Strategy and through the priorities set within the Corporate Plan. Its main aims are to reduce inequality, support independence and improve the quality of life in the City. The division is also actively involved in supporting the wider agenda of partners in the health sector and children's services.

The context of our service and financial planning includes continued high levels and increasing complexity of housing and support needs in the City, in particular in learning disabilities and housing adaptations. There is a significant impact of Housing Benefit changes for temporary accommodation and hostels and potential knock on impact on Adult Social Care & Housing service users. Grant funding is being reduced in a variety of areas including housing capital and adaptations budgets and Supporting People which could increase costs in other service areas.

Following recent announcements there is significant uncertainty at a national level over long term funding arrangements for adult social care.

Strategic response to this context:

The proposals are a continuation of the direction of travel over the last three years including:

- Creating effective pathways through accommodation to maximise resources, independence and prevent homelessness.
- Negotiating savings with Supporting People providers to reduce unit costs in light of on-going significant cuts in government grant funding.
- Commissioning new services for people with learning disabilities to improve value for money.
- Maximising inward investment and best use of resources in the delivery of major adaptations and private sector renewal assistance we have ensured that people can remain in their own homes and so minimise the impact on community care budgets.
- Maximising commissioning options with our Registered Social Landlord partners to deliver more housing with support, (up to 16% of total affordable housing delivery, 100% lifetime homes and 16% of homes fully wheelchair adapted).
- Continuing to improve performance and efficiency through a focus on our customers, use of technology and innovation, and reviewing our business processes to create efficiencies.
- Ensuring we maximise appropriate income streams.
- Ensuring we continue to meet our obligations to safeguard vulnerable adults.

Financial and Service Pressures

The main financial pressures on the Directorate's services over the next three years are shown in tables 1 and 2 below:

Table 1 - unavoidable service pressures which are dealt with as part of the budget strategy	**2010-11 £'000**
Housing Strategy	
Housing Benefit rates-DWP changes	500
Sub –total Housing Strategy	**500**
S75 Council Lead : Learning Disabilities	
Transitions from CYPT equivalent to 16 service users	457
Demographic Growth Learning Disabilities equivalent of 33 service users	516
Long term placement new service cost pressures	509
Short term respite rent and service charges	104
Sub –total S75 Learning Disabilities	**1,586**
TOTAL PRESSURES HSG & LD	**2,086**

Table 2 - Service Pressures as a result of grant funding coming to an end (dealt with as part of budget strategy)	**2010-11 £'000**
Housing Strategy	
Reduction in Supporting people Grants	592
Sub –total Housing Strategy	**592**
S75 Council Lead : Learning Disabilities	
Reduction in Preserved Rights Grants	58
Sub –total S75 Learning Disabilities	**58**
TOTAL PRESSURES HSG & LD	**650**

These pressures require the directorate to find £2.6m of savings (or 9% of its net budget) to meet the target cash increase over 2009/10. The target increase in cash limit over 2009/10 is a reduction of £0.036m on Housing and an increase of £0.586m for Learning Disabilities. The cash limit has been met from improved efficiency £2.221m and increased income £0.356m

Approach to savings in 2010/11:

Housing Strategy

The approach to the 2010-11 budgets is in line with the strategic response context outlined above in particular to maximise income through conversion of Management Agreements to lease arrangements which will attract higher level of housing benefit in light of the new DWP Housing Benefit changes from April 2010 and so generate £147,000 savings.

Better commissioning of leased accommodation through improved contract management, reduced void levels and improved processes will generate £275,000

Efficiency savings in supplies and services, income maximisation and renegotiation of current leasing arrangements within hostels £143,000

S 75 Council Lead: Learning Disabilities

The approach to the 2010-11 budget is to continue to improve value for money through better commissioning and contracting to save £371,000. Increasing the use of Personalised Budgets and prevention to manage growth more effectively and reduce the numbers of people in residential care through use of supported living and private sector housing models will save £253,000. As a result this will enable people to move on into personalised services to maximise their independence, choice and control. Efficiencies will also be made in in-house accommodation and day services to generate £242,000.

The additional cost of placements at Westbourne which has given rise to a new service pressure will be covered by the following recovery actions

- Making better use of facilities by filling in house voids £60,000
- Reducing existing commitments on spot contracts for residential care £494,000. This follows a successful bid to work with Improvement and Efficiency South East contract negotiators.

Supporting People

The reduction in grant funding of £592,000 will be delivered within the existing Supporting People strategy which had been planning for this level of year-on-year reductions through service remodelling and efficiency savings as described below:

- Agreeing efficiencies with internal and external providers to improve value for money
- Remodelling services to enable people to move on to greater independence and away from institutional type settings
- Efficiencies in the staffing budget

Impacts on other services and budgets

- Efficiencies and service remodelling were agreed with providers in 2008/9 and have been completed. The impact on service delivery has been minimised by working closely with providers to achieve efficiencies and via service remodelling, reviewing pathways through services and by facilitating closer working between provider organisations.

- During next year Sheltered housing providers in the in house and independent sector are to complete their efficiency plans through renegotiating their contracts with Community Alarm services and through maximising income available through Housing Benefit.
- The closure of the Brighton YMCA hostel (Steine House) is being completed and current occupants will be moved into other temporary accommodation. The implications on the homelessness budget have been minimised through improved move on and prevention and are factored into our budget plans.

Staffing Implications for the Directorate:

No staffing implications are anticipated at this time.

Key Risks:

There are significant risks around receipt of Continuing Healthcare funding from the PCT for claims submitted in 2008/9, the full year effect of this is £1.735m. An amount has been set aside in the corporate risk provision to reflect the anticipated risks associated with this income assumption.

2010/11 Budget proposals summary:

Housing Strategy and Learning Disabilities						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000
Housing Strategy	4,505	29	1,092	-1,043	-114	-36
S75 Learning Disabilities	22,640	362	1,644	-1,178	-242	586
TOTAL	**27,145**	**391**	**2,736**	**-2,221**	**-356**	**550**

ADULT SOCIAL CARE & S75 PORTFOLIO 2010/11 BUDGET PROPOSALS

Strategic Context and Direction of Travel

Adult Social Care is a statutory service and directly provides or commissions advice and support services for vulnerable adults in the City including disabled people, older people, people with mental health problems, including dementia, and those with sensory loss. The services provided include a universal offer of advice and signposting through to support for independent living, re-ablement, equipment and adaptations, day options and residential and nursing care.

The context of our service and financial planning includes demographic growth in Physical Disability and Older People users along with increasing complexity of needs.

There are nationally driven reforms to adult social care including self directed support, personalisation of service provision and budgets and their impact on the use of a Resource Allocation System (RAS)

There are changes to provision of health services which have consequences for social care provision in particular reconfiguration of Acute Mental Health services and the impact of the recommendations from the review of Continuing Health Care

As mentioned earlier there is significant uncertainty at a national level over long term funding arrangements for adult social care. This is in addition to the Social Care Reform Grant being in its last year of agreed funding at £1.167m in 2010/11.

Our strategic response to this context includes:

The proposals are a continuation of the direction of travel over the last three years including:

- Reducing costs in most services, using “systems thinking” across the Directorate over 3 years.
- Reviewing our approach to S75 partnership arrangements and agreeing clear responsibilities.
- Achieving better value for money and customer service by improving performance and efficiency through technology, and better business processes.
- Developing appropriate accommodation and support and maximising housing options.
- Maintaining income levels where possible by maximising benefits.
- Improving value for money more widely through collaboration, health partnership, strong commissioning and alternative models of service delivery. Developing joint initiatives including Shared Lives.
- Focusing on the well-being agenda and working collaboratively to deliver this.

Financial and Service Pressures

The main financial pressures on the Directorate's services over the next three years are shown in tables 1 and 2 below:

Table 1 - unavoidable service pressures which are dealt with as part of the budget strategy	**2010-11 £'000**
Adult Social Care	
Demographic Growth- Physical Disabilities- equivalent to 40 additional homecare service users	309
Demographic Growth and increasing complexity and increasing vulnerability Older People, equivalent to 26 service users	400
Expected overspend 2009/10- resultant pressure on 2010/11	780
Sub –total Adult Social Care	**1,489**
S75 Health Led : Provided through Sussex Partnership Foundation Trust (SPFT) and South Downs Health Trust (SDHT)	
Demographic Growth Adult Mental Health equivalent of 4 service users plus reconfiguration of health services (£200,000 pa)	367
Sub –total S75 Health	**367**
TOTAL PRESSURES FOR PORTFOLIO	**1,856**

Table 2 - Service Pressures as a result of grant funding coming to an end (dealt with as part of budget strategy)	**2010-11 £'000**
Adult Social Care	
Reduction in Preserved Rights Grants	58
Sub –total Adult Social Care	**58**
S75 Health Led : Provided through Sussex Partnership Foundation Trust (SPFT) and South Downs Health Trust (SDHT)	
Reduction in Preserved Rights Grants	20
Sub –total S75 Health	**20**
TOTAL GRANT PRESSURES FOR PORTFOLIO	**78**

These pressures require the directorate to find over £2.6m of savings for this portfolio (or 5.4% of its net budget) to meet the target cash increase over 2009/10. The target increase in cash limit over 2009/10 is 0.5% (£0.244m) for Adult Social Care & Housing and S75 Health Led Partnerships.

Proposals for main savings

These proposals are set within the context of the transformation of social care services set out within the agenda of the Putting People First concordat. They are broadly set out under 4 headings.

Personal Budgets

The shift in focus is that everyone who meets the council's eligibility criteria (critical and substantial) will be allocated a Personal Budget (PB). Through the application of a Resource Allocation System (RAS), service users work with

the authority to agree their assessed and eligible needs; these needs are then allocated a resource amount which the person then chooses how to spend, thereby giving more choice and control. Carers generally welcome this approach because the person is given access to a much wider range of services. Research shows that in most cases the costs are reduced.

From 2010/11 all new clients will be allocated a personal budget. In addition, those service users who receive community care will also move to personal budgets during the year as their needs are reviewed. The savings set out are therefore based on 2,000 service users with 30% of people receiving community based services benefitting from this new model of funding social care.

As a result savings of £410,000 can be made by individuals making more cost effective decisions about services which are more tailored to their needs, maximising individual benefits and other sources of income.

Re-ablement

Following a value for money review of home care we have moved mainstream resources into the independent sector and reinvested the savings made to establish new and innovative services in the form of the 'Community Solutions Team' and 'Independence at Home'. This team, a mix of home care and OT staff, now works with all new referrals from the Access Point to ensure that maximum independence can be achieved, resulting in lower admissions to residential care and lower 'at home' support costs.

Analysis during the first six months of this service has demonstrated significant success with over 50% of people needing far less support after 6 weeks of re-ablement.

The future savings proposals are based on wider roll out of re-ablement over the next few years. The financial sustainability model demonstrates that savings of 28% can be realised by applying this model not only to those at risk of not returning home but to those that have needs that could be better met by further utilisation of technology (Telecare), aids and adaptations and re-skilling.

As a result of this more effective re-ablement model of service provision £200,000 can be saved when applied to referrals from the Access Point and hospital discharges.

Workforce

Traditional workforce models will not be appropriate for a transformed social care service. The new service will be based on self assessment and co-production, this will be supported by the development of User Led Organisations (ULO's) that will assist people to become 'brokers' of their own service design and delivery. We have developed a new workforce strategy designed around this and the principles of a whole system approach. What this means in reality is that experienced and qualified staff will be deployed into 3 key areas of; robust assessment of need at first point of contact, reviews that focus on re-ablement, personal budgets and co production and safeguarding. These design principles will take our most qualified and experienced staff away from the bureaucracy and place them in key roles best matched to the highly professional skills they have.

Financial modelling of this new service design shows that 10% savings can be made across the workforce. However, whilst the above are being implemented stability need to be maintained, therefore a greater quantity of workforce savings will be delivered during 2011/12. In 2010/11 it is anticipated that £300,000 could be achieved.

Market Redesign

The above strategies will result in a fundamental market shift that will need careful management. Already the use of personal budgets has resulted in people opting for more person centred services resulting in, for example, a reduced take up of traditional day services. Therefore one of the budget savings proposals is to de commission a day service that has less than 60% take up which is expected to generate savings of £200,000. Those people who still require this service can easily be accommodated in the other day service provision that is also experiencing less than optimal use.

Other savings include:

- Better commissioning of provider contracts to save £50,000.
- Redesign short term services in the community and bed based to reduce length of stay, prevent admissions to hospital and enable service users to regain independence to save £100,000.
- Review financial assessment functions by implementing Value for Money review recommendations and increasing client contributions to generate £40,000.
- Implement recommendations from commissioning strategy for OPMH £70,000.
- Sensitively review all Adult Mental Health placements focussing on reduction in costs and increased 'move on' to deliver £290,000
- Review arrangements at Intermediate Care facility and reduce unit costs £300,000 by ensuring that health fund the appropriate levels of care in this setting.
- Review Integrated Community Equipment Service arrangements and respective contributions of social care and health.

Better commissioning of services from independent sector providers will drive out efficiencies of £300,000 by cash limiting contract values. This will enable us to achieve reductions in unit costs and bring spend in line with comparator authorities. Similarly, partnership contributions to the Sussex Partnership Foundation Trust (SPFT) will be cash limited to save £200,000. This will impact on partnership relations and relies on SPFT delivering efficiencies.

Back Office support

Review of strategic functions and discretionary services will deliver savings as follows – International Development £46,000, Healthy Cities £105,000 and Better government for Older People £4,000.

Reductions in supplies and services costs including energy assumptions will deliver £56,000

Staffing Implications for the Directorate:

Latest estimates indicate that approximately 51 staff posts may be affected which could result in up to 22 redundancies.

Key Risks:

Delivery of savings will be dependent on successful consultation with health partners, client representatives and staff groups. The scale of the savings and the changes to the model and funding of care are very significant. The change programme will need to be well resourced and tightly monitored to ensure delivery.

There are a range of complex assumptions that underpin the budget including demand for services and the impact of remodelling on costs.

2010/11 Budget proposals summary

Adult Social Care & Health led S75 arrangements						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
Main Service Area	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	36,117	560	1,547	-1,811	0	296
S75 SPFT	10,477	183	387	-560	0	10
S75 SDHT	2,091	24	0	-300	0	-276
TOTAL	**48,685**	**767**	**1,934**	**-2,671**	**0**	**30**

Footnote to all strategies:

Explanation of "systems thinking" reviews being used to deliver efficiency savings across a wide range of services

"Systems thinking" reviews (also known as Lean Reviews) are becoming widely used across service organisations to identify improvements in customer service and efficiency. The reviews focus on what matters to customers or stakeholders and try to ensure that processes are designed to concentrate only on work that is of value to the customer or stakeholder. This is a different way of looking at services compared with traditional service reviews which do consider customer needs but often focus too heavily on organisational, professional, functional or administrative requirements.