

# Appendix 3 – General Fund Budget Strategy

## Strategic Financial Context

- There are major changes to the functions and funding of local authorities as detailed in the July and November 2012 revenue budget updates and reports to Policy & Resources Committee. These, alongside reduced central government support, will result in substantial changes to the General Fund budget and revenue resources. The main changes are:
  - Change from formula grant funding to a Business Rate Retention model supported by a new Revenue Support Grant which will reflect reducing central government spending totals;
  - The ending of Council Tax Benefits alongside the localisation of a Council Tax Reduction Scheme and an associated 10% reduction in resources;
  - Major resource changes from top-slicing national resources for the New Homes Bonus, Early Intervention Grant and Education Services Grant (ESG);
  - Impact of changes in functions of local authorities including the transfer of Public Health, the introduction of Police & Crime Commissioners and new responsibilities for a Local Discretionary Social Fund.

## Budget Principles and Priorities

- The budget principles applied to the budget strategy for 2013/14 have been designed to support the council's Corporate Plan priorities as far as possible within resource constraints, including:
  - to prioritise services and resources, through service pressure funding and investment in prevention, for the young, elderly and vulnerable to continue to tackle inequality;
  - to provide resources to enable a fair and means tested council tax reduction scheme that has taken full account of equalities considerations alongside resources to support financial inclusion and a number of discretionary funds
  - to promote efficient use of public money and sustainable use of resources through support for key programmes e.g. Value for Money projects;
  - to continue to support partnership working with public, private and third sector organisations to ensure effective engagement of people and partnerships across the city.

- The budget report for 2012/13 included proposed savings for 2013/14 and these provided a clear starting point for the development of the overall budget package. These savings have been reviewed and revised where appropriate and relevant consultation on planned service changes undertaken.
- In July, Policy & Resources Committee agreed to task officers with identifying 10% savings options for the 2014/15 budget. At that time the required level of savings was estimated at 6% and therefore 10% proposals would provide a range of options to ensure effective choice and prioritisation based on the following themes: -
  - the continuation and expansion of the council's Value for Money programme;
  - the implementation of the council's agreed City Commissioning Plan.
- However the significant changes to the expected resource position for 2013/14 has meant emerging savings proposal for 2014/15 have been reviewed to see what can be fast-tracked and implemented in 2013/14 to support the overall budget position. Savings proposals for 2014/15 budget will now come forward to this committee during 2013. However, a detailed Medium Term Financial Strategy has been developed which sets out the council's direction of travel over several years.

### **Commissioning approach**

- As mentioned above, 2013/14 proposals developed last year were expected to substantially meet the savings requirement for the year. The recently changed financial reality means that further savings need to be found quickly and without the appropriate lead-in time needed for many commissioning changes. However, a commissioning approach has been adopted where appropriate, particularly across social care and housing areas and four cross-cutting areas for commissioning focus have been identified. These areas are expected to provide the most significant financial and non-financial benefits in support of Corporate Plan priorities. The focus is on 4 city wide strategic issues and prioritised areas that can contribute to the council's ongoing budget position.

### **Priority Commissioning Area – Supported Living and Extra Care Housing**

- Brighton & Hove has an increasing population of over 85's which will continue to place considerable strain on BHCC resources. Although we have a relatively young population in the city our demographics show our over-85 population is on the increase, which means there is greater demand on social services, the NHS, and third sector as they help deal with the associated problems older people can face. We are also seeing a higher level of more complex cases.
- The recent published White Paper 'Caring for our future: reforming care and support' sets out the vision for a reformed care and support

system; it also offered local authorities the opportunities to bid for additional DH funding. An Extra Care Steering Group is already working across ASC and Housing and has started the work required to successfully win current and future bidding processes. In addition to this, BHCC still needs to explore other opportunities that will ensure that resources are used in the best possible way to promote the personalisation agenda, VFM, better outcomes and a better experience of care and support.

- Brighton and Hove has more people in residential care than other comparable authorities and whilst we have developed other community options and numbers have been reduced, we continue to be top quartile in relation to numbers. Adult Social Care (ASC) has looked at local data and national benchmarking and the key findings are:
  - Admissions to permanent residential and nursing home care in the city have reached a plateau over the past 3 years;
  - Length of stay for older people appears to be around 21 months in a nursing home and 33 months in a residential home with a combined figure of 29 months. National research indicates the national average is around 24 to 28 months combined;
  - BHCC have a legacy of some people being placed over 10 years ago in a care home with more analysis being undertaken on this;
  - First quarter data 2012/13 indicates permanent admissions have again begun to fall;
  - Analysis of the most recent year's data indicates about 15% of people admitted that year died within the year.
- We need to continue to develop services to give older people greater choice other than residential care services. Therefore we have been developing extra care housing and other forms of supported accommodation for adults/older people to demonstrate our commitment to provide additional options in the city. There needs to be a focus on developing the units as defined in the strategy if we are to be successful in meeting the demands of the service. Thirty six units in 2013/14 would cost approx £620k increasing by a further 50 units for 2014/15 and 2015/16 and would save approx £850k per year.
- This rethink recognises the important role of older people's contribution to society which is a shift away from our traditional model of care of providing intensive homecare or residential care. Linking the extra care model with personalisation, the community asset agenda, allocations policies and housing strategy aims to:
  - Provide more affordable services
  - Improve value for money and achieve better outcomes
  - Integrate older people into our communities (social inclusion)

- Put people in charge of the services they use (personalisation)
- This links strongly to the BHCC Corporate Plan priorities of tackling inequality and creating a more sustainable city.

#### Priority Commissioning Area - City Regulation & Infrastructure

- BHCC has implemented a new structure for City Regulation & Infrastructure where the commissioning responsibilities will be developed in specific areas including Waste and Parks, Planning & Public Protection and Transport. The Transport portfolio encompasses strategies and major infrastructure projects, transport planning, public transport, road safety, parking and highway maintenance.
- This new approach, particularly across transport, will help us to revisit our contracts and give us the ability to share services, pool resources and work in partnership with adjacent local authorities including the SE7 group; a partnership of 7 local authorities that have committed to working together to improve the quality, achieve savings and generate more efficiency through our contracts, staffing and facilities.
- The revenue funding support for transport has not kept pace with the increase in capital funding and there is a large gap between the level of capital funding and the revenue resources available to deliver it ('capital rich and revenue poor'). Therefore the focus in this area is one of continued investment and maintaining or increasing current resourcing levels.
- Our current capital investment programme comprises:
  - Local Transport Planning (LTP):
    - 2012/13                      £6.5m
    - 2013/14                      £6.3m
    - 2014/15                      £7.5m
- Alongside the LTP the Transport Team have been successful in securing a further £9.5m Capital & Revenue Grant for specific projects including:
  - The Local Sustainable Transport Fund (LSTF) has a combined capital and revenue budget of £4.0m + £2.0m (matched funding)
  - Better Bus Area (BBA) has a budget of £3.5m.
- With the recently announced Devolved Local Transport Fund there is an opportunity for a further £7.0m per annum with the Local Enterprise Partnership from 2014/15 bid, the design process is currently being developed towards bidding for this additional funding.
- We are continuing to respond to economic development funding opportunities. A refresh of the Economic Development Strategy is underway and this will provide a framework for bidding and prioritising

new investment with neighbouring authorities, the Coast to Coast LEP and also private sector partners.

- The council has approved a One Planet Living framework and has engaged the active participation of partners across the city to inform a sustainable action plan.

#### Priority Commissioning Area - Stronger Families, Stronger Communities – the Brighton and Hove ‘troubled families’ programme:

- Brighton and Hove is signed up to the government’s Troubled Families initiative which aims by the end of this Parliament to ‘turnaround’ the lives of the 120,000 families they estimate to be eligible for local programmes because they are involved in crime and anti-social behaviour, or have children not in school and have an adult on out of work benefits.
- We take a broader view. We are concerned with families facing multiple problems and we’ve agreed a 4th ‘local’ eligibility criteria for both families with children and households without dependant children. The programme is taking a twin track approach:
  - Promoting a whole family/multi-professional approach by establishing a new Integrated Team for Families, building on the successful Family Intervention Project and deploying the first tranche of the government’s payment by results funding
  - Producing a strategy for whole systems change, joined up services and financial savings across the council and partners.
- The programme supports:
  - the council’s corporate plan commitments to reduce inequalities and promote participation;
  - the city’s Sustainable Community Strategy priorities especially promoting enterprise and learning, reducing crime and improving safety, improving health and well being and strengthening communities and involving people.
- The programme will have identified and engaged with the full year-one cohort of 225 families by the end of January 2013, enabling a detailed family/household needs assessment to be completed. A local costing tool, based on accepted national models, is being developed to provide the data to estimate efficiency savings for 2014/15 for the council and partner agencies.

#### Priority Commissioning Area - Sports & Leisure

- With the overwhelming success of the London 2012 Olympic and Paralympics Games fresh in the minds and hearts of so many of our residents, there has never been a better time to focus on the impact of sports and participation. The profile and attractiveness of being involved in sports has been raised nationally in a way that has not been equalled in many of our lifetimes, and may never be again. In the history of the Paralympics movement, there has never been such a

positive and widespread public engagement with the Games and in particular the individual stories of the competitors; a positive focus on the abilities of people with disabilities.

- Many of our sports, leisure and cultural providers are keen to build on this momentum and we will see a range of initiatives focussing on all levels of participation over the next 12-18 month period. Next year is set to be the year of youth activity. Brighton and Hove Albion will be launching an international Football World Cup for young people at the end of July 2013, with an ambition to become an annual event with equal participation of girls and boys teams. July will start with the international Dance World Championships coming to the city, an event of long standing attracting competitors from all over the world. Our own Take Part Festival takes place just before these two high profile events, creating an opportunity to focus on local participation as a lead into the two championships. BHCC will also be investing in and supporting the Rugby World Cup bid.
- In Brighton and Hove an estimated 43,632 adults are obese and 6,500 are morbidly obese. An estimated 14,000 children and young people aged 2-19 years are overweight or obese. This is predicted to increase to 16,400 by 2020. Excess weight is a major risk factor for diseases such as type 2 diabetes, cancer and heart disease. In addition, the prevalence of mental illness in Brighton and Hove is higher than the average for England for both common mental health problems, such as anxiety and depression and severe mental illness, such as schizophrenia or bi-polar disorder.
- There is a raft of actions and measures in place already to deliver results in these priority areas, from the close working with Freedom Leisure to ensure affordable and attractive opportunities that are extensively marketed, to the more targeted initiatives delivered by our own sports development staff. There are large scale and high profile initiatives such as the international events mentioned above which aim to have a cascading impact and there are schemes just to encourage more walking. The transfer of Public Health functions and responsibilities to the council and the oversight of the Health & Wellbeing Board will also strengthen our ability to design and commission more effective services to improve results in this area.
- We are already capitalising on our assets in an innovative and productive way, where we may not have cash budgets, we do have high land values for example. The development plan for the Circus Street site includes the delivery of a dance centre for the city, to be run by the National Dance Agency South East Dance, based here. The schedule for the development would see the centre up and running by 2015. Further opportunities will be explored in this area because of the potential impact on reducing medium to long term health and social care costs.

## Value for Money (VFM) and Customer Access Programmes

### VFM Overview

- The council's Value for Money approach has successfully promoted and embedded a value for money culture across all services and has delivered very substantial financial gains as well as non-financial benefits. The programme includes significant transformation programmes affecting almost every area of the council and ranging from service transformation in social care services to efficiencies across ICT to reductions in management and administration costs.
- These programmes are often 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. Previous revenue budgets have included one-off resources to ensure that VFM Programmes were effectively planned and supported. Additional resources of £1.2m 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 £10.003m against an original target of £6.933m. Children's Services are expected to exceed their target by over £3.3m due to their approach on focussing on prevention and strengthening processes. Adult Services have also exceeded their target through continued focus on re-ablement and personalisation. For the 4-year period including 2013/14, the VFM Programme is set to exceed the original annual savings target of £27.989m by £2.462m and will have achieved total cumulative cash savings of £56.954m. Further application of Business Process Improvement reviews (systems thinking) alongside continued developments to current programmes are expected to identify savings deliverable in 2014/15 and beyond.
- Investment in supporting resources for the VFM programme is critical for delivery of financial gains. Principally, investment is used to secure sufficient temporary project management, expert advice, business analysis or other skills to enable programmes to move forward at a fast pace. The programme is also supported by the Programme Management Office which holds a small pool of project management expertise which is efficiently managed and allocated to various related corporate priorities and VFM projects as the need arises.
- The investment includes £0.425m to support the associated Customer Access Programme – this supports project management, business analysts and Customer Experience Management (CEM) and Web development costs.

- There are related capital and revenue investments for the Workstyles VFM programme and the ICT Strategy, including investment in the 'Link' wide area Public Sector Network.
- The current VFM Programme includes the following priority areas:

#### VFM - 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.

#### VFM - 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 £4.7m compared with the originally anticipated financial gains since 2010/11.
- 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.
- The programme will now link in with the Stronger Families, Stronger Communities initiative to continue to apply a VFM approach across this new workstream.

#### VFM - 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 of modern voice and wide area network services is the primary focus as these will enable the authority to achieve medium term savings across services and modernisation programmes (e.g. through Workstyles). Substantial capital investment is therefore required to support the ICT Strategy and enable future savings which has significant implications for the capital programme.

#### VFM - 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 2011. 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 has shown that there are complexities in identifying procurement savings that are driven by corporate activity versus those achieved directly by services. Procurement savings are therefore now fully retained by service areas to put forward as savings proposals and/or reinvest as appropriate. However, all procurement savings are still monitored centrally wherever possible.
- 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.

#### VFM – Workstyles, Customer Access and Business Process Improvement

These 3 programme areas have strong interdependencies and need to work together to deliver the maximum benefits for customers and value for money. Brief information is given below.

#### VFM – 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.

- Phase 3 options were considered by Policy & Resources Committee in October 2012 and put forward options primarily for Hove Town Hall and Kings House. These options are currently being worked up in more detail.

#### VFM - Business Process Improvement (BPI) Reviews:

- Business Process Improvement is based on 'systems thinking' which 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 demands'). 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 council has commissioned external experts to help it develop a methodology that can be applied to any service. This approach has been trialled in HR and Finance. Two temporary officers have been appointed and will help to roll-out the learning and methodology to priority areas; mainly those services affected by Workstyles and Customer Access initiatives.
- As with procurement, the savings that BPI reviews enable are not usually available corporately but will occur within services. In 2012/13 savings of £0.476m have been achieved across Revenues & Benefits, Libraries and Financial Services related to reviews in these areas.

#### VFM - Customer Access Programme

- 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 Customer Service Centre at Bartholomew Square is now well-established with its 'meet and greet' approach and is continuing to receive good feedback from customers.
- Work to embed the 'Customer Promise' has continued into a second phase, and continues to improve the customer experience and positively touch people in the city. Results from the Wave 2 City Tracker survey in 2012 confirm an increase in people that are satisfied with council services. A new website is planned for April 2013 so it can continue to meet customers' needs and encourages more use of

quicker online transactions and services. It will be a more robust website so we can take advantage of digital technologies into the future.

- Following a telephony project, Teams that receive a high volume of telephone calls have made improvements to how they manage incoming calls, making it easier for customers.
- A second Customer Service Centre at Hove Town hall is planned for February 2013, building on the successful design of Bartholomew House. This year, we have become an Approved Centre of the Institute of Customer Service (ICS), which formally recognises how we raise customer service standards through the development of staff.
- The next phase of the Customer Access Programme will develop our digital access for customers and enable better ways of responding to customer enquiries using a Customer Experience Management (CEM) system. The implementation is being planned over two years alongside other modernisation projects. CEM is being implemented in Environment first and will be followed by other service areas. CEM will allow us to create a common customer experience for routine transactions to reduce the number of times a customer repeats information, and helps us share information between relevant services. For customers, we would like it to lead to a 'My Account' service and the creation of single points of contact. Initial plans include online appointments / bookings, and automated web forms, which will reduce the need to send in written information or call up services. This will help the council avoid duplication between services and more automation will result in quicker and more efficient transactions.
- The CEM project is proposed to run in conjunction with work to refine how we handle post and create more paperless systems and a re-design of Face to Face access to ensure that we find the best way for customers to liaise with officers in person, whether this is in community buildings, central offices, home visits or other outreach services.

#### VFM – Corporate Landlord

- The Corporate Landlord approach will bring the control and oversight of all council property and associated property and utility costs under the Property & Design service who will act as the Corporate Landlord. This will have positive value for money implications as the Corporate Landlord will be able to achieve procurement savings on maintenance, term, waste and security arrangements as well as being able to identify and release buildings that represent poor value for money (e.g. high maintenance and repair or leasing costs). Savings are linked to property changes under the Workstyles programme and are included under this heading.

#### VFM - Client Transport:

- This new programme in 2012/13 focuses on client transport for Children's and Adults services. Scheduling software is being trialled

which is expected to rationalise the routing and make better use of transport fleet.

- Savings are expected in 2013/14 and beyond through better use of fleet, reducing taxi hire and minimising vehicle replacement.

#### VFM - 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.
- 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 £3.9m full-year savings have been achieved against a target of £4.0m, including the additional savings target of £0.450m added in 2012/13.
- The financial gains for individual projects are set out in the table below.

VFM Project	2012/13 Savings target	2012/13 Forecast	2013/14 budget savings	Total Ongoing Savings since start of Programme
	£m	£m	£m	£m
Adults Social Care	1.172	1.311	2.284	6.599
Children's Services	0.301	3.650	2.660	5.920
ICT	0.361	0.301	0.410	0.929
Procurement *	1.341	1.340	1.396	2.736
Procurement (2011/12)	0.355	0.104	0.000	0.538
Workstyles	0.270	0.270	0.440	0.810
Client Transport *	0.000	0.000	0.130	0.130
Management & Admin	2.633	2.551	0.175	3.868
Business Process Improvement *	0.500	0.476	0.320	0.796
Service Redesign **	-	-	3.000	3.000
<b>Total VFM Projects</b>	<b>6.933</b>	<b>10.003</b>	<b>10.815</b>	<b>25.326</b>

- \* Note: Savings relating to Procurement (from 2012/13), Business Process Improvement and Client Transport are retained within relevant service areas. These projects are therefore designed to 'enable' services to deliver their full savings proposals through the measures described elsewhere in the budget report.
- \*\* The 'Service Redesign' Vfm programme will be backed by a proposed Voluntary Severance Scheme and associated resources as set out in the budget report.
- 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.

### **Fees and Charges approach and corporate policy**

- Fees and charges budgets are assumed to increase by a standard inflation rate; 2% for 2013/14. 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, 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 service committee.
- Fees and charges are a very important source of income to the council and represent approximately 1/3<sup>rd</sup> of General Fund resources, enabling important services to be sustained and provided. A wide range of services are funded or part-funded from fees and charges and are included in the reports detailed below. Benchmarking with comparator authorities shows that Brighton & Hove recovers 13% of its entire gross expenditure through fees & charges which is ranked highest out of 14 'nearest neighbour' authorities. The budget strategy aims to ensure that income from fees & charges is sustained and appropriate new income generating opportunities are identified, ensuring that charges for discretionary services or trading accounts cover costs (e.g. building control and licensing), and ensuring that fees & charges keep pace with price inflation and/or competitor and comparator rates.
- Where appropriate, details of fees and charges changes for 2013/14 have been presented to the relevant service committee prior to Budget Council. In addition, an overarching review of fees and charges has been undertaken to ensure there is no disproportionate or cumulative equality impact of proposed changes to fees and charges on vulnerable, minority or other groups. Fees and charges reporting has been undertaken as follows:

<b>Fees &amp; Charges area</b>	<b>Meeting</b>	<b>Date</b>
Private Sector Housing – HMO Licensing	Housing Committee - Licence valid for 5 years; no proposed changes to licence fees for 2013/14. Last increase April 2011 (Housing CMM 5Jan11)	18 Jan 2012 (no change to fees)
Royal Pavilion and Museums	Economic Development & Culture Committee	20 Sept 2012
Licensing and Enforcement	Licensing Committee	22 Nov 2012
Venues,	Economic Development & Culture Committee	10 Jan 2013
Libraries	Economic Development & Culture Committee	10 Jan 2013
Seafront and Outdoor Events	Economic Development & Culture Committee	10 Jan 2013
Children & Young People	Children and Young People Committee	13 Jan 2013
Parking Tariffs, and Highways	Transport Committee	15 Jan 2013
City Services	Policy & Resources Committee	24 Jan 2013
Adult Social Care Non-residential care services	Adult Care & Health Committee	28 Jan 2013
Environmental Health, Trading Standards, Planning and City Parks	Environment & Sustainability Committee	6 Feb 2013

### **Investing in Priorities - Service Pressure Funding**

- The budget strategy provides for continued investment in areas that will:
  - support the achievement of Corporate Plan priorities, in particular tackling inequality through providing for vulnerable adults, children and young people;
  - enable further value for money and sustainability savings to be levered in through invest-to-save initiatives;
  - meet known demographic or other exceptional cost pressures to avoid severe impacts on front-line service budgets.

- The budget estimates for service pressures have been reviewed since November and the planned allocations for demographic growth and other service pressures is £7.8m. The current trends on the council's corporate critical budgets have been taken into account in determining the level of service pressures. The proposed allocation of Service Pressure investments to cover specific grant funding loss, demographic pressures and unavoidable cost pressures or income shortfalls is as follows:

<b>Service Pressure Investment Area</b>	<b>Amount (£m)</b>
Children's social care - to protect investment in preventative measures	0.500
Adult Social Care - particularly in relation to demographic pressures on Learning Disability transitions and Mental Health services	1.000
Homelessness - in relation to risks of increased numbers of acceptances and rising prices of accommodation	1.000
Replacement funding for the net loss of Early Intervention Grant	2.720
Cover for reductions in housing and council tax benefit admin grant	0.329
Cover for rising energy costs	0.270
Parking - to reflect fees and charges set by the Transport Committee	0.310
Funding for income shortfalls including recharges to schools, staff recharges to capital schemes, and licensing income and for unachievable inflationary increases on Penalty Charge Notice income	0.420
Funding for the Vehicle Replacement Programme in City Clean	0.070
Funding for the Wide Area Public Sector Network to lever in medium term savings in future as agreed by Policy & Resources Committee on 29 November 2012	0.250
Removal of centrally held VFM procurement saving where savings have already been reflected in service budgets	0.258
ICT - to meet the requirements of the Information Commissioner's Office and minimum ICT equipment replacement requirements	0.210
Support for corporate procurement and associated legal support as cost avoidance measures	0.150
Funding for the Carbon Reduction tariff set by government	0.100
Funding of income shortfalls in the commercial property portfolio	0.100
Travellers Service - to reflect increasing costs	0.050
Unavoidable Corporate Landlord costs resulting from service changes	0.045
Brighton Dome and Festival Ltd - to reflect the latest contractual agreement	0.030
<b>Total Service Pressure Investments</b>	<b>7.812</b>

## Supporting Corporate Plan Priorities

- In developing proposals, services have considered Corporate Plan priorities and ensured that their budget strategies enable continued support for achievement of these priorities. The overall budget strategy also supports Corporate Plan priorities through service pressure investment, capital investments and decisions on savings proposals. The current Corporate Plan priorities are:
  - **Tackling inequality**
  - **Creating a more sustainable city**
  - **Engaging people who live and work in the city**
  - **Modernising the Council** (*The Corporate Plan will be revised and considered by Council in March and the previous two internally focussed priorities will be recommended to be replaced with this single objective*)
  
- The budget strategies of the main service areas at appendix 4 will set out how the priorities are supported and the related investments, developments, improvements and proposals that impact on achievement of the priorities, including draft Corporate Plan commitments for 2013/14. These commitments include a number of cross-cutting themes that all services will contribute to in helping to meet Corporate Plan priorities. These include:
  - Redesigning services to deliver 3% productivity gains and realising associated savings through the Voluntary Severance Scheme.
  - Implementing the council's actions from the agreed sustainability action plan across all service areas to meet One Planet Living aspirations for the city.
  - Working with city partners to complete a refresh of the Sustainable Community Strategy.
  - Making it easier for customers to give and receive information to the council, whether in person, by phone, letter or e-mail, through ICT investment which will reduce duplication and costs.
  - Supporting delivery of the council's Value for Money programme to make savings of £10.815m million this year from a total budget of approximately £400m.
  
- Other elements of the budget strategy in support of the above priorities are set out below.



- **Prioritised investment:** the Budget Challenge process provided high level comparative cost and performance information for members to review against the context of proposed savings. A number of services were shown to be high cost but often this reflects previous decisions to protect investment in these areas, particularly with regard to social care services and housing.

All services demonstrated a strong understanding of their current value for money and their unit costs and the information has been used by services to help identify areas where further efficiencies may be possible and where costs need to be challenged.

- **Income generation** is a key element of the budget strategy and is increasingly important for protecting investment in essential services. Areas that have developed proposals for generating more income include:
  - § Tourism & Leisure
  - § Life Events
  - § Corporate Services
  - § Housing Strategy
- **Partnership working** with the community and voluntary sector remains central to the council's approach to commissioning of 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. The close working with SE7 authorities will continue and will look to maximise opportunities for sharing or reducing costs and jointly developing innovative solutions to improve services, reduce costs or resolve common problems.