

### Report of the Budget Scrutiny Panel 2015/16

#### A) Introduction

##### The Panel

The 2015/16 budget scrutiny panel consisted of Cllrs Gill Mitchell (Chair), Dee Simson and Leo Littman. The panel held three evidence-gathering meetings. The first of these explored the strategic context for the budget plans with the council's Leader and Chief Executive. The second and third meetings focused on the spending plans of specific departments with the input of the relevant Policy Committee Chairs, Directors, and Heads of Service. Services represented at these meetings included Adult Social Care, Housing, Children's Services, Policy & Communities, Community Safety, and Public Health. Senior officers from Finance & Resources attended and contributed to all three meetings. A full list of witnesses and details of meetings is included as **Appendix 1** to this report. Minutes from the panel meetings are included as **Appendices 2, 3 and 4**.

##### The Financial Context

This year's budget plans have been formulated in the context of very significant year-on-year reductions in local authority funding, with more than £20 million of savings to be made in 2015/16 and similar economies required across the next several years.

Although local authority funding is experiencing particular large reductions, there is pressure on budgets across the public sector, with less money available across local systems to provide services.

At the same time, demand for some public services – particularly for health and social care – is rising rapidly. This is partly due to an ageing population, although the causes of rising demand are complex.

It is clear that the council cannot absorb these levels of year-on-year funding reductions and continue to deliver the current levels of service. The council is responding to these challenges in several ways: by increased collaboration with public and third sector partners; by modernising council services; by seeking to increase the revenue-generating potential of key services; by seeking to develop a more complete understanding of demand for services and of how this demand might be better managed; and by moving to a very different understanding of the relationship between citizen and state.

The following section of the report explores what witnesses to the scrutiny panel told members about these challenges, and what the council is doing in response to them via its budget planning. It also looks at how achievable this year's plans are. The concluding section contains the panel's recommendations to Policy & resources (P&R) decision-makers.

## **B) Challenges/Themes**

### **1 Collaboration**

**Collaboration across the public sector.** The council's Chief Executive, Penny Thompson C.B.E., told the panel that collaboration across the local public sector was increasingly important. There have been significant advances in this agenda over the past few months. These include the development of the city Health & Wellbeing Board (HWB), the City Management Board (CMB), and the Safe in the City Partnership. In addition to these broad partnership bodies, there has been really effective co-working in a number of more specific areas, including the Better Care Fund, the Stronger Families Stronger Communities programme, and the recently completed review of Special Educational Needs and Disability (SEND) services for children and young people.<sup>1</sup>

Increased collaboration between public services is important not just because we need to use diminishing resources in the most effective ways, but because all public sector organisations need to make significant changes, and it is not sensible for organisations to change in isolation from one another. However, the ultimate aim here may well be for really effective joint working rather than the formal integration of organisations.<sup>2</sup>

The starting point for budget planning has been the Sustainable Communities Strategy priorities, a set of goals shared by key public sector partners across the city and by all political groups.<sup>3</sup>

In subsequent meetings the panel heard in more detail about some of the collaborative work that has been taking place in the past few months. For example, Denise D'Souza, Executive Director of Adult Services, informed members of discussions with the Brighton & Hove Clinical Commissioning Group (CCG) around future funding for intermediate care<sup>4</sup> beds in city Resource Centres. The CCG is being asked to agree to increase its funding for these beds to more accurately reflect the split between patients with primarily health needs (NHS-funded) and those who primarily require care (council-funded, subject to a means-test). This will allow the

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<sup>1</sup> Evidence from Penny Thompson (PT): 12.12.14 point 3.11

<sup>2</sup> PT 12.12.14 point 3.11

<sup>3</sup> PT 12.12.14 point 3.6

<sup>4</sup> Short term community beds to support people coming out of hospital who are not yet ready to return home, or who require assessment to determine how best to support them going forward.

council to put forward a significant budget saving (£1M) without reducing levels of service.<sup>5</sup> Similar negotiations are underway with regard to the CCG under-writing elements of the Community Care Budget and pump-priming some of the Better Care Fund initiatives, provided that the council works effectively with NHS commissioners to help reduce hospital admissions and to improve hospital discharge times for people with complex health problems.<sup>6</sup>

Pinaki Ghoshal, Executive Director of Children's Services, informed the panel about recent improved partnership working with schools, and about the potential to do even more. For example, schools are the biggest referrer to the city Early Help Hub (EHH) and also spend a good deal on early help services (although they don't necessarily badge them as early help). However, this provision tends to be undertaken by individual schools in isolation from other agencies, and sometimes from other schools. If the council, the Clinical Commissioning Group and schools came together collectively to commission early help services then we would potentially see much better outcomes for young people.<sup>7</sup>

The panel very much welcomes these initiatives and many others across other services detailed by witnesses. It is clear that there has been a step-change in the degree and the ambition of collaborative working in the past few months and that it is producing increasing significant and concrete results. It is also evident that there is the potential to do still more.

**Collaboration across local authorities.** As well as working more closely with our public sector partners in the city, it is obviously also important that we co-work effectively with neighbouring councils. Again, the panel heard about lots of activity in this area. For instance, Denise D'Souza informed members about plans to share an independent Adult Safeguarding Board Chair with East Sussex; about the regional joint working to implement the Care Act; and about the recent decision to co-commission a new Integrated Community Equipment Stores service with West Sussex County Council.<sup>8</sup> In a similar vein, Linda Beanlands, Commissioner for Community Safety, told the panel about arrangements to share the post of Violence against Women and Girls Commissioner with East Sussex County Council.<sup>9</sup>

In general the panel heard that there are opportunities to achieve significant economies of scale for services delivered to a population of 500,000 plus.<sup>10</sup> Since the population of Brighton & Hove is considerably less than this, there appears to be an obvious impetus to work jointly with our neighbours on a wide range of projects.

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<sup>5</sup> Evidence from Denise D'Souza (DD): 06.01.15 point 8.7

<sup>6</sup> DD 06.01.15 point 8.7

<sup>7</sup> Evidence from Pinaki Ghoshal (PG): 08.01.15 point 13.8

<sup>8</sup> DD 06.01.15 point 8.9

<sup>9</sup> Evidence from Linda Beanlands (LB): 08.01.15 point 13.28

<sup>10</sup> DD 06.01.15 point 8.9

Panel members welcome the work that has gone on here. This will clearly become even more important in coming months, driven at a strategic level by the developing Greater Brighton Economic Board partnership.

**Collaboration within the council.** As well as working effectively with our external partners, it is important that different sections of the council work well together, something that is challenging in such a large and complex organisation. The panel heard a good deal about projects to better align council departments, or to transfer responsibilities for a service to a team better positioned to deliver high quality outcomes.

For instance, Cllr Bill Randall, Chair of the Housing Committee, told members that the recent transfer of responsibility for homeless prevention services (those services formerly funded by 'Supporting People' grants) from Housing to Adult Social Care (ASC) makes good sense in terms of best supporting a very vulnerable client group who are often too challenging to be supported by Housing workers alone.<sup>11</sup>

A number of the more significant transfers of responsibility within the council involve Public Health (PH). For example, the panel heard that services for street outreach and prolific offenders that had previously been funded by Community Safety will now form part of the PH substance misuse contract.<sup>12</sup> Dr Tom Scanlon, Brighton & Hove Director of Public Health, told the panel that he had gladly taken the opportunity to brand PH as a council service, without losing sight of its core purpose to improve population health.<sup>13</sup>

**Collaboration with the Community & Voluntary sector and directly with communities.** Richard Butcher Tuset, Head of Policy & Research, told the panel that local community & voluntary sector organisations (the 'third sector') are vital to the city, with every £1 spent with the sector estimated to generate an additional £13 in other benefits. However, given the scale of savings required from the council and from other public sector bodies, public funding for the sector will inevitably come under increasing pressure in the coming years. It is important that we support the third sector to transform itself to meet these new challenges, and a key element of this will involve understanding more precisely what community & voluntary sector organisations offer to the city and how to target support most effectively.<sup>14</sup>

The council has already invested in Community Works to support third sector transition. The local authority is also reviewing the current three-year grants programme. In general there is likely to be a shift from grant funding to commissioning (via the successful Prospectus model) in order to ensure the delivery of more specific outcomes. The council is also actively looking at national and international best practice in terms of identifying alternative income streams to

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<sup>11</sup> Evidence from Cllr Bill Randall (BR): 06.01.15 point 8.18

<sup>12</sup> LB 08.01.15 point 13.25

<sup>13</sup> Evidence from Dr Tom Scanlon (TS): 06.01.15 point 8.32

<sup>14</sup> Evidence from Richard Butcher Tuset (RBT): 08.01.15 point 13.14

support the third sector – for example the potential of encouraging more philanthropic support of the sector, particularly in terms of infrastructure projects.<sup>15</sup>

In addition the council is currently reviewing all its third party spend, including third sector spend, as part of the corporate Value for Money work. This review will seek to identify opportunities to increase efficiency and reduce duplications across all the council's contracting and commissioning.<sup>16</sup>

The council uses a matrix impact approach to focus on key third sector organisations across the city, looking at how healthy they are, how resilient to change they are likely to be, and what can be done to support them to remain sustainable.<sup>17</sup> Going forward it is vital that the council is as clear as possible about its intentions with regard to third sector funding: in order to plan effectively the sector needs to understand whether particular income streams, such as three-year grants, are going to be retained or discontinued.<sup>18</sup>

This year's budget planning has included increased engagement with the third sector via Community Works, and movement in the direction of a more truly collaborative approach to budget-setting, although the tight time-scales involved mean that this process is inherently challenging, and it is clear that there is more to be done here.<sup>19</sup>

Cllr Jason Kitcat, Leader of the council, stressed that supporting the third sector is very much a two-way conversation: he is eager for the sector to respond positively to the budget plans, putting forward its own ideas about future levels and types of support.<sup>20</sup>

Linda Beanlands informed members of the successful series of 'One Voice' meetings, which have brought the council's Chief Executive and Executive Leadership Team together with representatives of city faith and BME communities. There is scope to build on this work to create more opportunities for communities to talk directly to public sector decision-makers.<sup>21</sup>

## **2 Modernisation**

In a world of diminishing resources it is important that the council is a lean and effective organisation, that departments work coherently together and that the services we fund and the models of service provision (e.g. whether internally provided, provided via a cooperative or mutual or commissioned externally from the community & voluntary or independent sectors) are supported by a robust evidence-base.

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<sup>15</sup> RBT 08.01.15 point 13.15

<sup>16</sup> RBT 08.01.15 point 13.16

<sup>17</sup> Ibid point 13.17

<sup>18</sup> Ibid point 13.19

<sup>19</sup> Ibid point 13.18

<sup>20</sup> Cllr Jason Kitcat (JK): 12.12.14 point 3.13

<sup>21</sup> LB 08.01.15 point 13.32

Other sections of this report deal with what the council is doing to ensure that departments collaborate effectively and that decisions about our services are based on the most up-to-date and accurate information. Cllr Kitcat stressed to the panel that the focus of this year's budget savings has been on re-designing services to optimise their efficiency. The council is committed, via the budget and other initiatives such as the corporate modernisation and value for money programmes, to developing service models that best support the goal of maintaining and improving outcomes with diminishing funds.<sup>22</sup> To support this end, some services key to the delivery of organisational change, such as Communications, have not been required to make significant savings.<sup>23</sup>

Penny Thompson emphasised the point that, although this is technically a one year budget plan, it has very much been developed in the context of the next four to five years. In many ways, this year's budget is a precursor of the types of change that will need to happen over the coming years – for example the delivery of more and more services digitally.<sup>24</sup> It is important to understand that by no means all these changes are about managing declining resources; initiatives such as the increasing personalisation of services, the move away from building-based provision, and the shift to digital will all save money, but they will also deliver better outcomes for residents.<sup>25</sup>

### **3 Income Generation**

One obvious response to reductions in government funding is for councils to seek to increase their capacity to generate income. Cllr Jason Kitcat told the panel that the council was actively looking to generate income in a number of areas: for example, through developments including the i360, the seafront arches, Brighton Centre/Black Rock, and the King Alfred. The council is now looking to support major projects to go beyond a break-even position.<sup>26</sup>

Cllr Kitcat stated that the budget plans also effectively protect the council's Economic Generation and European teams, services which are key to delivering additional income.<sup>27</sup> Elsewhere, plans are in place to develop the revenue-earning potential of services – for example CityClean collecting commercial waste. However, for commercialisation to be a realistic prospect, services need to have a really good record for reliability, which means that it may not be possible to proceed immediately with this type of initiative.<sup>28</sup>

Geoff Raw, Executive Director of Environment, Development & Housing, told members that the council already sought to bid for any available national or regional

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<sup>22</sup> JK 12.12.15 point 3.3

<sup>23</sup> PT and JK 12.12.15 point 3.18

<sup>24</sup> PT 12.12.15 point 3.8

<sup>25</sup> PT 12.12.15 point 3.16

<sup>26</sup> JK 12.12.15 point 3.17

<sup>27</sup> JK 12.12.14 point 3.17

<sup>28</sup> JK 12.12.14 point 3.10

funding, and is committed to ensuring that new responsibilities, such as landlord registration schemes, are as far as possible self-financing. Going forward, the potential for differentiating between core and non-core Housing Revenue Account (HRA) services, and for introducing elements of charging for the latter will need to be explored, although it is vital that this is undertaken with the support of council tenants.<sup>29</sup>

Penny Thompson told the panel that it was important that the council sought to maximise its income-generating potential. However, income generation is not a panacea: it cannot conceivably outweigh the loss of income through government grant reductions. It must also be recognised that key services such as adult and children's care will never be financially self-sustaining.<sup>30</sup> Nigel Manvell, Assistant Director Finance & Procurement, added that the goal of moving towards self-sustainability was an organisational aim rather than necessarily for every individual service.<sup>31</sup>

#### **4 Intelligence**

With funding across the public sector diminishing, and only limited short-term opportunities to significantly increase income, it becomes more and more vital to understand what support local people require, how best to provide that support, and which organisations and sectors are best placed to support it. Public sector commissioners need to know which interventions work and which don't in order to allocate limited resources efficiently. With demand increasing in key areas, it is also increasingly important that the funders understand why more people want support and the options available to manage and reduce demand, via managing people's expectations, encouraging self-support and through better prevention.

It is therefore crucial that organisational and citywide intelligence is as powerful and as effective as possible, and that the public sector is rigorous in using it to inform the difficult decisions ahead.

Cllr Kitcat told the panel that the budget plans were based on our best understanding of the effectiveness of interventions. So for example, investment in effective preventative services such as Early Help and the Stronger Families Stronger Communities (SFSC) programme has been maintained, whereas preventative services which can't show such an evidence-base have unavoidably seen their funding reduced.<sup>32</sup> Penny Thompson added that intelligence also shows us both how much our citizens value cultural services and the significant role that they have to play as preventative services.<sup>33</sup>

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<sup>29</sup> Evidence from Geoff Raw (GR): 06.01.15 points 8.25 and 8.23

<sup>30</sup> PT 12.12.14 point 3.17

<sup>31</sup> Evidence from Nigel Manvell (NM): 12.12.14 point 3.17

<sup>32</sup> JK 12.12.14 point 3.12

<sup>33</sup> PT 12.12.14 point 3.12

Nigel Manvell, Assistant Director Finance & Procurement, told members that accurately measuring the financial, social and economic benefits to the council and the broader community of particular interventions can be complex, requiring the use of Social Return on Investment (SROI) models that are still being developed nationally. However, it is important that commissioners continue to develop more and more sophisticated tools, even if in the interim we have to rely on less precise measures of performance, such as achieving the government's process-based SFSC targets.<sup>34</sup>

Linda Beanlands explained to the panel the increasing importance of intelligence to the work of Community Safety, citing ongoing work with the Police & Crime Commissioner and with Sussex Police to share information more effectively to support work on serious & organised crime and on child sexual exploitation. Linda Beanlands stressed the need to think innovatively – for example by training Environmental Health officers in trafficking matters so that they can identify potential issues when undertaking their regular hygiene inspections of restaurants.<sup>35</sup>

Dr Tom Scanlon told the panel that Public Health had been re-positioned to be the locus of the council's intelligence function, with staff moving across from other departments to augment the existing PH intelligence and research functions.<sup>36</sup>

Sarah Tighe-Ford, Equalities Coordinator, told the panel that having good intelligence will be key to mitigating the impact of current and future budget savings plans on particular vulnerable groups. Women, disabled people, older people, and children & young people are the groups at most obvious risk as these they use council services the most.<sup>37</sup> Richard Butcher Tuset added that it was important that these equalities impacts are mapped across all local public services not just the council. The City Management Board has already undertaken good work here, but more will need to be done.<sup>38</sup>

## **5 Citizen and State**

Assuming that the pattern of reducing government spending continues, the relationship between individuals who receive services and the public sector organisations that commission or deliver them is bound to alter in the next few years, as diminishing funds across the public sector mean that fewer people receive state services, and the nature of these services changes. Inevitably this will mean either that people learn to live without some services, or that individuals and communities come together to provide them themselves.

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<sup>34</sup> NM 12.12.14 point 3.14

<sup>35</sup> LB 08.01.14 point 13.30

<sup>36</sup> TS 06.01.15 point 8.32

<sup>37</sup> Evidence from Sarah Tighe-Ford (STF): 08.01.15 point 13.22

<sup>38</sup> RBT 08.01.15 point 13.22



This is by no means a wholly negative process: greater personalisation and more direct contact with services via digital media has the potential to much better reflect people's wants and needs in terms of the services they receive. It may also be the case that a significant change in the relationship between citizen and state would have happened in the absence of public sector funding reductions: an ageing population and other major demographic changes mean that many public services would have been stretched beyond their limits whether or not their funding was reduced. There is no obvious alternative to individuals taking more responsibility for their own wellbeing and that of their local communities.

The council has crucial roles to play in enabling and supporting this change. In part, this will involve developing a much better understanding of demand – analysing why people use services, how much of this use is essential, and what tools are available to manage, reduce or redirect demand. In part, it will also involve the council adopting different attitudes to community demands. Richard Butcher Tuset told the panel that this should include supporting community resilience by adopting a 'can do' attitude to community ideas; the council is currently often so risk averse that it risks blocking worthwhile community-led initiatives.<sup>39</sup>

There will also need to be a change in public attitudes, with the expectation that the council will deliver non-essential services replaced with an understanding that many things that people currently expect from the state will in future be the responsibility of individuals and families. For example, Pinaki Ghoshal told the panel that there was the opportunity to make significant savings in the home-to-school transport budget without having a negative impact on those who genuinely rely on the service. The council will continue to support those with a statutory entitlement, but other parents will need to recognise that the responsibility for getting their children to and from school is, and should be, theirs.<sup>40</sup>

### **Achievability**

It is important to ask whether budget plans are realistic, particularly when the council is being required to make such large savings year-on-year, when demand is increasing in often unpredictable ways, and when overspends are predicted on key 2014-15 budgets.

Cllr Kitcat told the panel that delivering the budget savings would be a challenge, particularly as demand for adult care services continues to grow. This is particularly the case when policy committees reject plans, agreed in outline at Budget Council, to re-design services to increase efficiency and reduce costs.<sup>41</sup>

Cllr Rob Jarrett, Lead Member for Adult Social Care, agreed that there were particular pressures on the system which meant it would be foolish to be complacent.

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<sup>39</sup> RBT point 13.21

<sup>40</sup> PG 08.12.15 point 13.4

<sup>41</sup> JK 12.12.14 point 3.16

Even if all the identified budget savings are achieved, pressures on other parts of the system may result in significant overspends.<sup>42</sup>

Denise D'Souza informed members that budget planning for ASC is inherently difficult because a small number of complex cases can transform an under-spend into an over-spend, with the cost of individual care packages potentially exceeding £500,000 per year.<sup>43</sup>

Pinaki Ghoshal told the panel that demand for high needs specialist care services could be extremely volatile. Demand can also be influenced by events outside the council's control – for example a high profile case of child abuse elsewhere in the country can increase local referrals of children into care. These risks cannot be wholly mitigated, although they can be reduced by better partnership working and by initiatives such as the multi-agency safeguarding hub (MASH)<sup>44</sup>

## **C Conclusions and Recommendations**

### **The budget planning process and presentation of the budget.**

As this year's budget scrutiny review progressed, panel members were struck – even more so than in previous years – by the degree to which the detailed information they received from witnesses enhanced their understanding of some of the key budget proposals. In particular, there were several instances in which it was explained that apparently detrimental 'cuts' to services were actually transfers of funding responsibility from one department to another, or from the council to a partner body, and that there was in fact no negative impact upon the services provided.

The assurance provided by these explanations of some of the budget savings was very welcome; it is clear that a lot of work has gone into ensuring that the council's savings plans have as little negative impact on services to city residents as possible. Of course, it is precisely this kind of opportunity for members to engage in depth with the budget proposals that the budget scrutiny process is intended to provide.

Nonetheless, panel members did feel that there was a particularly stark gap between the council's savings plans as detailed in the draft budget papers and the detailed, narrative explanation of these plans in the context of the complex web of public sector budgets across the city.

This is not intended as a criticism of the budget report itself: members recognise that the report format is largely prescribed, and that finance officers are required to produce draft budget plans under quite extraordinary time-pressures. Officers should be commended for producing really clear and comprehensive plans at such an early point in the budget process.

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<sup>42</sup> Evidence from Cllr Rob Jarrett (RJ): 06.01.15 point 8.13

<sup>43</sup> DD 06.01.15 point 8.13

<sup>44</sup> PG 08.01.14 point 13.12

It is also the case that producing more detailed budget papers would probably result in diminishing returns: the budget plans are already challenging enough to read; adding more detail would discourage people from engaging with them. Indeed, a good deal of additional contextualising information is already available in the form of the council's excellent Equality Impact Assessment (EIA) process. The problem is not the availability of additional information, but the complexity of the situation.

This is particularly so because it is clear that we have moved well beyond the point where the council's budget plans can sensibly be considered as a discrete entity: the plans of our city partners are key to understanding many of the changes that the council is seeking to make.

Panel members do not have any specific suggestion to make which might improve the budget papers themselves: it may well be that they are as good as anyone could reasonably make them. However, members would like to suggest that next year's budget planning process should seek to make available, to elected members and to interested members of the public, more information about the planning of our key city partners and about the inter-relations between their strategic and financial planning and that of the council. Given the complexity of these relationships, the ideal form for this would be a series of engagement events: it is much easier to understand the thinking behind the budget plans when it is explained face-to-face by the people in charge of delivering change.

Next year will see particular challenges for elected members, since the May local elections are bound to deliver many new Councillors for whom the council's budget setting processes will be largely novel. Panel members believe that key to supporting members to understand next year's budget process will be to start briefing as early as possible – potentially in the induction programme for new members – and to ensure that it is a major theme of member development and performance reporting throughout the year. For example, members wonder whether it might be possible to augment the regular Targeted Budget Management (TBM) reports to Policy & Resources Committee with information which outlines how our key partners are progressing with implementing their financial and strategic plans, and what this means for the council.

Finding new ways to talk to elected members will be particularly important because this may be the last year in which it will be possible to undertake an independent budget scrutiny process.

**RECOMMENDATION 1 – Budget planning for 2016/17 and subsequent years should include a series of member seminars at which council officers and partners can detail the progress of their collaborative work and its impact on budget plans.**

## **Intelligence**

A point emphasised repeatedly by witnesses at panel meetings was the importance of intelligence - of understanding as precisely as possible what the level of need is across the city, and what the most effective ways of addressing that need are. Increasingly, intelligence needs to be shared across the public sector and third sectors, with neighbouring authorities, and directly with local residents.

The panel heard about some excellent work ongoing to preserve and improve the council's intelligence functions. This planning focuses on positioning Public Health as the core of the council's data gathering and analysis capacity.

The panel very much supports this work. As council and other public sector budgets reduce, it becomes all the more important that we have the best possible intelligence, and that we share it as effectively as we can with our partners. The council also needs to be more aware than ever of good practice at a regional and national level. There is a strong case for protecting and even for increasing funding for services which support officers to make the best possible operational decisions. It is equally vital that the council retains the capacity to support elected members from all political groups to make well-informed strategic decisions and be involved in the development of policy.

**RECOMMENDATION 2 – the council's intelligence functions are key to delivering the levels of savings required. The council should continue to fund these services at the current level at the very least.**

## **Achievability**

Achieving this year's budget plans will inevitably present a challenge, particularly given the volatile nature of demand for aspects of adult and children's care services, and the high cost of providing very specialist support in these areas. The panel welcomes the work that is being undertaken to mitigate these risks, such as the development of the MASH, and attempts to rationalise the costs of disability placements and residential care.<sup>45</sup>

One area that does concern panel members is how realistic it is to put forward savings for 15-16 which assume the in-year re-structure of services. The panel questions how possible it is to re-structure a service and deliver savings almost immediately. In panel members' experience, re-structures generally take much longer than anticipated and, even if they do eventually deliver really significant savings, they may not do within the timeframe of the 2015/16 financial year.

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<sup>45</sup> PG 08.01.15 point 13.12

## **Cumulative Impact**

The panel remains worried about the cumulative impact of this year's budget savings, coupled with reductions in other public sector budgets and the impact of welfare reform, on vulnerable groups. Of particular concern are women and children living in more deprived communities.

Whilst the panel welcomes assurances that the cumulative impact of public sector savings is being monitored closely, members would like to see this work reported back to elected members before we begin the formal part of next year's budget planning – for example by a report to P&R on the equalities impact of the 2015/16 budget savings across the local public sector.

**RECOMMENDATION 3 – The council should report back to September 2015 P&R committee on the impact on protected groups of the 2015/16 budget savings and those of our public sector partners.**

## **Appendices to the Budget Scrutiny Panel Report**

### **Appendix One**

#### **2015/16 Budget Scrutiny: List of Meetings and Witnesses**

##### **12 December 2014**

- Cllr Jason Kitcat, Leader
- Penny Thompson C.B.E., Chief Executive
- Nigel Manvell, Assistant Director Finance & Procurement

##### **06 January 2015**

- Cllr Rob Jarrett, Lead Member for Adult Social Care
- Cllr Bill Randall, Chair of Housing Committee
- Denise D'Souza, Executive Director, Adult Services
- Geoff Raw, Executive Director, Environment, Development & Housing
- Dr Tom Scanlon, Director of Public Health

##### **08 January 2015**

- Pinaki Ghoshal, Executive Director, Children's Services
- Richard Butcher Tuset, Head of Policy & Research
- Sarah Tighe-Ford, Equalities Coordinator
- Linda Beanlands, Community Safety Commissioner
- Peter Castleton, Community Safety Manager

**BRIGHTON & HOVE CITY COUNCIL**  
**SCRUTINY PANEL ON THE 2015/16 BUDGET**  
**3.00pm 12 DECEMBER 2014**  
**COUNCIL CHAMBER, HOVE TOWN HALL**  
**MINUTES**

**Present:** Councillor Mitchell (Chair)

**Also in attendance:** Councillor Simson

**PART ONE**

**1 PROCEDURAL BUSINESS**

- 1.1 There were no substitutes or declarations of interest and the press & public were not excluded from the meeting.

**2 CHAIR'S COMMUNICATIONS**

- 2.1 There were none.

**3 BUDGET DISCUSSION**

- 3.1 Witnesses were:

- Cllr Jason Kitcat (JK), Leader, Brighton & Hove City Council (BHCC)
- Penny Thompson CBE (PT), Chief Executive, BHCC
- Nigel Manvell (NM), Assistant Director Finance & Procurement, BHCC
- James Hengeveld, Head of Finance – IMFP, BHCC

- 3.2 JK introduced the 2015/16 draft council budget, explaining that this was a budget in the context of very significant year-on-year reductions in local authority funding. The budget is not a stand-alone document, but is intended to be read alongside the Corporate Plan and the council's Medium Term Financial Strategy, which together represent the administration's vision for the future of the council.

- 3.3 All council departments proposed savings plans for this year's budget, with the focus being on improving or maintaining outcomes for local people rather than the minutiae of service details. Improving outcomes with lower funding is likely to require service redesign, and this is central to this year's budget planning. This is not a 'salami-slicing' budget: services that will play a key role in the development and redesign of the authority (e.g. Communications) have necessarily been protected to some extent.

- 3.4 The draft budget has once again been published at a very early stage to allow people to engage with it. Currently there is still a significant gap between the savings required and those offered up in the budget plans.

- 3.5 Given that the main political groups are currently unable to agree on Council Tax (CT) levels for next year, the draft budget papers model all three likely CT scenarios (a 5.9% increase, a threshold increase and a freeze).

- 3.6 PT advised members that the Sustainable Communities Strategy (SCS) was the starting-point for corporate and budget planning. Given that 2015/16 is an election year it was particularly important to ensure that budget planning was based on a set of priorities commonly owned by all political groups and by our key city partners.
- 3.7 PT stated that the council's role would inevitably become more circumscribed in the next few years. The relationship between citizen and state also needed to change significantly across public services, with a much greater stress on 'personalisation': individuals taking more control of and responsibility for their support and for their local communities.
- 3.8 PT advised members that this was technically a one year budget plan, but that the context was the next four to five years. In many ways this budget is a precursor for the types of change that will need to happen in the coming years – for example the delivery of more and more services digitally.
- 3.9 In response to a question from DS on the digitally excluded (particularly in deprived communities) JK responded that the number of digitally excluded people is in fact quite small, with 80% plus of people both on-line and keen to self-serve. For those who are excluded support is available from city libraries and community services such as Whitehawk Inn and The Bridge. Moving to digital services has the potential to save a considerable amount of money without impacting negatively on the most vulnerable.
- 3.10 In answer to a question from GM on the extent to which the budget plans sought to move the council in the direction of becoming a self-sustaining business model, JK told members that plans were in place to develop the revenue-earning potential of services – for example CityClean collecting commercial waste. However, services need to have a really good record for reliability before considering commercialisation. There may also be opportunities for some adult social care services to increase revenue as part of the initiatives that form the local Better Care Fund project.
- 3.11 In response to a question from GM about collaboration across the local public sector, PT pointed to the work already under way via the city Health & Wellbeing Board (HWB), City Management Board (CMB), the Stronger Families Stronger Communities (SFSC) programme, the recently completed joint review of SEN and Disability Services, and the Safe in the City Partnership. The entire public sector needs to make major changes, and it is not sensible for organisations to change in isolation from one another. However, the aim may well be for really effective joint working rather than organisational integration.
- 3.12 In answer to a question from DS about preventative services, JK stressed that the budget plans do support the preventative agenda. However, not all investment delivers the same results, and it is increasingly vital that we target resources at what has been proven to work – for example Early Help and the SFSC programme. PT added that the Early Help Hub was a good example of the current focus on preventative work. It was also important to recognise the key role cultural services have to play in prevention and the importance that citizens attach to them.
- 3.13 JK also noted that this connected to the broad question of how best to fund and/or support the 3rd sector across the city. JK is eager for the sector to



respond positively to the budget plans, putting forward its own ideas about future levels and types of support.

- 3.14 In answer to a query from GM about the effectiveness of the Stronger Families Stronger Communities programme (and in particular, Payment By Results [PBR] funding), NM told the panel that PBR payments are triggered when SFSC families meet certain Government targets, and that the council has thus far been successful in attaining its targets. However, this is a process rather than an outcomes measure; calculating the actual financial, social and economic benefits to the council and the broader community of the SFSC interventions requires the use of complex Social Return on Investment (SROI) models. These are still being developed nationally.
- 3.15 In response to a question from DS about reductions to services in more deprived areas, JK confirmed that there had been engagement with agencies including the police and that the potential risk implications of these savings had been discussed. Discussion has included talking about the potential to use budgets across the public sector more intelligently.
- 3.16 In answer to a question from GM on how achievable the budget plans were, JK commented that they did present a challenge, particularly as the demand for ASC services continues to grow, and because elected members have voted against recommended re-designs of services to make them more efficient. However, there is really good joint working emerging, particularly in terms of the HWB and the suite of Better Care Fund initiatives. Also, now that equal pay has been resolved, CityClean is in a much better position to develop. PT added that many other local areas have already delivered this type of change and that there is the managerial will to drive change in the council. It is also the case that by no means all the changes are about managing declining resources; initiatives such as the increasing personalisation of services, the move away from building-based provision, and the move into digital will all save money, but they will also deliver better outcomes for service users.
- 3.17 In response to a question from DS on how the budget encourages greater income generation, JK answered that the council was actively looking to generate income in a number of areas – e.g. the i360, the seafront arches, Brighton Centre/Blackrock, King Alfred. The general approach to projects was now to look to go further than breaking even. The budget plans effectively protect the Economic Regeneration and European teams - teams which deliver a good deal of additional income. PT told the panel that this area was covered in the Corporate Plan and Medium Term Financial Strategy rather than in the budget plans. However, it was important not to exaggerate the potential of income generation: this could be significant, but it could not conceivably outweigh the loss of income through government grant reductions. It must also be recognised that some services, such as adult and children's care, will never be financially self-sufficient. NM noted that the concept of moving towards self-sustainability was aimed at achieving this at an organisational level rather than individual services becoming self-sustaining.
- 3.18 In answer to a query from GM about why some services, such as Communications, had been protected from cuts, JK responded that the Comms budget had been significantly reduced several years ago and there was limited scope to make further reductions. There is also limited scope to increase

revenue without seeing more obtrusive advertising around the city. The Communications budget is spent wisely, particularly in terms of the dissemination of key public health messages. PT added that it was also vital to retain the capacity to undertake effective internal Comms – we know that staff value good communication. In addition, the growth of social media presents significant challenges and risks, with particular risks associated with managing social media poorly.

#### **4 4 DATE OF NEXT MEETING**

- 4.1 The next meeting will be held on the 6th January 2015 (10-12). The meeting concluded at 4pm.

Signed

Chair

Dated this day of

**BRIGHTON & HOVE CITY COUNCIL**  
**SCRUTINY PANEL ON THE 2015/16 BUDGET**  
**10.00am 6 JANUARY 2015**  
**COUNCIL CHAMBER, HOVE TOWN HALL**  
**MINUTES**

**Present:** Councillor

**Also in attendance:** Councillor Littman and Mitchell

**PART ONE**

**5 PROCEDURAL BUSINESS**

- 5.1 There were no declarations of interest and the press & public were not excluded from the meeting.

**6 MINUTES OF THE PREVIOUS MEETING**

- 6.1 The draft minutes of the panel meeting of 12 December 2014 were agreed.

**7 CHAIR'S COMMUNICATIONS**

- 7.1 There were none.

**8 BUDGET DISCUSSION**

- 8.1 Witnesses at this session were:

- Cllr Rob Jarrett (RJ), Lead Member for Adult Social Care
- Denise D'Souza (DD), Executive Director Adult Services
- Cllr Bill Randall (BR), Chair of Housing Committee
- Geoff Raw (GR), Executive Director Environment, Development & Housing
- Dr Tom Scanlon (TS), Director of Public Health

**Adult Social Care**

- 8.2 RJ explained that adult social care (ASC) services were experiencing intense pressures due to funding reductions, increasing demand for services, and significant new responsibilities in relation to Deprivation of Liberty Safeguards

(DOLS), and the implementation of the Care Act. Moreover, the entire local health and social care system is experiencing similar pressures, and it is important that our strategies for dealing with problems for ASC do not simply increase pressures elsewhere in the system. ASC is currently projected to overspend across the current financial year, in part because council committees have declined to approve the implementation of plans previously agreed in principle at Budget Council which would have enabled in-year savings to be made.

- 8.3 For the coming year, ASC planning will continue to focus on supporting people to maintain independent lives in the community rather than going into residential care, with an additional focus on the increased use of tele-care technology to support independent living.
- 8.4 ASC staff are frequently working beyond their contracted requirements to ensure that services are delivered, and there is therefore little prospect of making significant staff cost savings.
- 8.5 Given the high levels of pressure across the system, there would be a significant risk involved in wholesale service re-design at this point (some re-design will be necessary in response to the Care Act and to BCF).
- 8.6 Because of the degree of strain the health and social care system is experiencing we need to be very cautious about the achievability of the ASC budget saving plans.
- 8.7 DD outlined some of the specific pressures currently being experienced by ASC. These include:

**Deprivations of Liberty Safeguards.** A recent court judgement in relation to DOLS has seen the number of assessments increase from around 35 per annum to 35+ per month. There is a significant financial cost to these assessments, but also a severe drain on senior manager capacity (approximately 500K for the year 14/15 – this is an additional cost to the local authority which will recur and which is not covered by central government funding).

**Care Act.** The Care Act introduces significant new responsibilities for local authorities from 01 April 2015, particularly in terms of the number of assessments that may need to be carried out. Some transformation funding has been centrally provided, but it is not yet clear what level of funding will be provided to discharge the new responsibilities.

**Better Care Fund (BCF).** BCF requires the council and the city Clinical Commissioning Group (CCG) to develop a series of new initiatives aimed at reducing hospital and residential care admissions by better supporting people in the community. This work is progressing well, with active and positive engagement from the CCG. The CCG is providing additional funding to pump-prime BCF work.

**Community Care Budget.** The growth of demand on this budget that has been experienced in recent years has slowed somewhat this year, and the CCG has agreed to underwrite a significant proportion of the service overspend (1-1.3M) provided that the council works with them (via BCF) to reduce hospital discharge times for people with complex health problems.

**Learning Disability (LD).** An independent review of LD services has recently been completed and high-level intentions to re-design services will be reported to February 2015 Health & Wellbeing Board (HWB). The service re-design plans will seek to give learning disabled people greater control over their support and to encourage more people into employment. This will entail changes to the current models of care – e.g. a diminishing role for day services.

**Resource Centres.** A review of short-term bed use is currently ongoing. The council is talking to the CCG about funding for some ASC-funded beds that are used by people with significant health needs – the aim being for the CCG to agree to underwrite costs for beds which are supporting the delivery of NHS care.

- 8.8 GM noted that she was reassured to hear that so much has been achieved in terms of ASC and CCG co-working in recent months.
- 8.9 In response to a question from LL on the potential for co-working across local authorities, DD informed members that there was effective work ongoing here, with the potential to do even more. Examples include sharing the cost of homeless prevention services with neighbouring authorities, sharing an independent Chair for the Adult Safeguarding Board with East Sussex County Council, the regional implementation of elements of the Care Act, and the recent decision to co-commission a new Integrated Community Equipment Store service with West Sussex County Council. Generally speaking, there are opportunities to achieve significant economies of scale for services delivered to a population of 500,000 plus, and therefore an impetus for Brighton & Hove to work jointly with its neighbours on a number of projects.
- 8.10 In answer to a question from DS about the potential negative impact on individuals and on voluntary and community sector organisations of supporting more people in the community, DD acknowledged that this was a significant issue. This forms a core strand of the BCF plans, with a major focus on reducing loneliness, and equal footing for third sector organisations when planning for the integration of support services. There will be a similar focus in any LD service re-design which will support learning disabled people and their families and carers to lead fulfilling lives.

RJ added that the council was encouraging third sector organisations to work more closely with one another in order to reduce duplication and ensure that limited resources are used in the most efficient way. Funding for carer support and for advocacy has been maintained for the past three years to ensure that service users remain able to make their voices heard.

8.11 In response to a question from GM about savings from contract changes, DD told the panel that some savings (130K) had been identified through a rationalisation of ASC commissioning teams. There may be the potential to make further savings in terms of quality monitoring, which is a role which the Care Quality Commission (CQC) is now responsible for across ASC. However, the CQC is not yet in a position where it can deliver this effectively, so there are no immediate savings here. There may also be potential savings to be achieved when the CCG co-locates with the council, although again this savings are not currently realisable. Other contract savings (230K) will be achieved by re-negotiating contracts that are due to end or by transferring responsibility for some services to Public Health (PH).

8.12 In answer to a query from GM on the potential to continue to reduce the number of people going into residential care, RJ informed members that there is still some scope to reduce admissions, but that this will inevitably diminish over coming years.

DD added that Brighton & Hove has a high proportion both of people living alone and of people living in converted buildings – both potentially problematic for maintaining independent living. There is an opportunity here to use supported housing to accommodate more of this client group.

Much has been done in recent years to reduce the rate of city admissions into residential care. However, rising incidents of dementia present a real challenge to this trend.

Although the city is not currently experiencing major demographic pressures in terms of a growth in the number of older people, we are seeing steadily increasing demand from younger people with complex physical disability or LD needs. These placements can be very high cost, and there is no obvious way to reduce demand via better preventative services. However, there is a conversation to be had as to where in the local health and care economy the funding for this group should come from. It is also important that 'younger older' people are encouraged to keep fit and healthy.

8.13 In answer to a question from DS on the achievability of savings plans, RJ told the panel that it would be foolish to be very confident that the savings can be achieved – there are simply too many pressures on the system. Even if all the budget savings are achieved, pressures on other parts of the system may result in overspends.

DD added that budget planning for ASC is inherently difficult because a small number of complex cases can transform an under-spend into an over-spend: with the cost of individual care packages potentially exceeding 500K pa. However, we are in the fortunate position of having a really good partnership with our local NHS commissioners – and also fortunate that our CCG is on a good financial footing.

## Housing

- 8.14 BR explained to the panel that housing services were inexorably linked to adult and children's care provision, with 16% of city households including a disabled resident, a figure which rises to 41% for council properties.
- 8.15 There are a large number of people in the city who are in mainstream housing but who require significant support (typically due to alcohol/substance misuse and/or mental health problems).
- 8.16 Similarly there are lots of older people who are not in dedicated Sheltered (or 'senior') housing, but who require similar types of support to that offered to Sheltered scheme residents.
- 8.17 There is a clear need to support vulnerable people who are not in dedicated supported housing then, and this will require co-working with adult and children's social care, with NHS bodies and with the third sector. It is also important that we ensure that our dedicated supported housing facilities are as good as they can be – for example the recent work converting Sheltered flats with shared washing facilities to include self-contained showers.
- 8.18 The transfer of responsibilities for 'Supporting People' homeless prevention services to ASC makes good sense in terms of best supporting a very vulnerable client group who are too challenging to be supported by Housing alone. Going forward it is essential that the role of different agencies, and in particular of third sector organisations, is more clearly defined, and that all services work effectively together eliminating the duplication that is currently present in the system. Recent work with PH shows that this integrated approach can be really effective.
- 8.19 Making the planned 'supporting people' savings (including significant commissioning savings in 2016/17) will be challenging, but we are well placed to manage the process effectively. We are also fortunate that Brighton Housing Trust (BHT) was recently successful in bidding for Big Lottery Fund money to support homeless prevention across Sussex. Working in concert with neighbouring authorities will also be key: many of the city's homeless population are from elsewhere in Sussex, often from places that don't offer very much in the way of homelessness support.
- 8.20 BR is sceptical of the merits of plans to end the service which offers housing advice and support to people released from Lewes Prison. Many of these people have a local housing connection or will in any case end up in the city, and there is a real risk of the council incurring significant long-term costs if this group is not appropriately advised and/or housed.
- 8.21 The decision to delete the housing sustainability team is also an unfortunate one, but sadly inevitable given the risks inherent in contracts that were negotiated by West Sussex County Council.
- 8.22 In terms of the Housing Revenue Account (HRA) this year's budget plans support the continued transfer of funding from management costs to maintenance and renewal, with more being spent on maintenance and new

building than at any time in the past 10 years, and more new council homes being built than for many years.

8.23 GR added that it was important that the council adopted a consistent approach to housing and that it planned in the context of the next few years. For example, steps are being taken to link 'supporting people' services to the Better Care Fund in order to protect them, as far as possible, from the challenging savings required of the council in the next 3-4 years. The council will need to continue to identify efficiencies, and to continue to use the HRA appropriately to support council tenants and leaseholders. It is also important that we distinguish between HRA funding for the essential maintenance of properties and for other services which add additional value (and where we may need to contemplate an element of charging). It is particularly important that the uses we put HRA funds to continue to be supported by council tenants, and to this end the council will need to strive to be more transparent about how funding is used.

8.24 In response to a question on 'supporting people' savings from DS, DD told the panel that commissioners from ASC, Housing, PH and Children's Services had come together to look at the whole range of these services. Savings would be achieved by reducing the number of contracts (there are currently over 70), by eliminating duplication, by ensuring that we identify our best value contracts and commission to this standard across the board, and by de-commissioning some services where performance is too low.

More broadly, there is a general push to move to a more outcomes-based commissioning model which should significantly improve performance and offer opportunities for efficiencies.

When re-commissioning it is also important that the council considers not only the current financial position but also our projected finances in several years' time; there is little point entering into contracts that we can afford now but will not be able to fund in subsequent years.

BR added that the third sector was also engaged in a similar process of rationalisation and integration via the Moneyworks and other initiatives. GR agreed that it was vital that the sector responded to the situation – its offer would have to change as the funding available for services inevitably declines.

8.25 In answer to a question about the potential to grow income, GR told members that it was difficult to quantify the potential for additional income. The council already bids for any available funding, and is committed to ensuring that new schemes (e.g. landlord registration) are, as far as possible, self-financing. The potential to charge for certain non-core HRA services is also something that will need to be explored.

BR added that the decision to charge Registered Social Landlords (RSLs) to advertise in the Homemove magazine is another move to maximise the council's income.



In terms of capital projects, GR told members that there may well be the opportunity to draw in additional resources; we are already seeing considerable RSL and private sector interest in building new homes as part of the New Homes for Neighbourhoods initiative.

- 8.26 In response to a question from LL on the potential to continue to make savings from integration, BR told members that this was hard to quantify. However, integration is as much about providing a seamless service for customers as it is about saving money.
- 8.27 In answer to a query from GM on temporary accommodation (TA), GR informed the panel that there was a significant supply issue here, with rising rents across the city making it less attractive for landlords to tie up their properties in long-term TA leases to the council. It was important that the council acted to guarantee landlords a secure income from TA leasing, but there were limits to what we can do as we cannot realistically pay in excess of Local Housing Allowance levels.
- 8.28 GR told members that the council would have to think more innovatively about housing in the coming years, potentially co-investing with RSLs or the private sector to develop properties for key workers or other groups would provide the council with an income-stream as well as increasing housing supply.
- 8.29 GR identified the growth of our city universities as a major pressure in terms of housing supply, with Brighton and Sussex seeking to increase student numbers by more than 12,000, but only planning to create an additional 6,000 dedicated student housing places. However, as well as being a pressure there is the potential here for the council to become involved directly in the student housing market, although this would inevitably mean using sites that might otherwise be used for other purposes.
- BR added that he would like to see university expansion take place outside the city – for example around university sites in Hastings – the continued expansion of universities within the city may not be sustainable. The Strategic Housing Partnership is actively engaging with the universities and with student unions on this issue, but with little success to date.
- 8.30 In response to a question from DS on how realistic the budget saving from increasing Traveller site rents was likely to be given the temporary closure of Horsdean required to develop the permanent site (and the failure to reach agreement on an alternative temporary transit provision). GR agreed that this saving was unlikely to be achieved and offered to re-think it.
- 8.31 GM noted that she was reassured to hear that so much work was going on, particularly around ‘supporting people’ services.

### **Public Health (PH)**

- 8.32 TS told members that he had gladly taken the opportunity to re-brand PH as a council service, without losing sight of its core purpose. Areas of particular

focus included positioning PH as the locus of the council's 'intelligence' function, with staff from other departments augmenting the existing PH intelligence and research functions; a review of preventative services such as smoking cessation, with a greater emphasis on key interventions (such as workplace support and interactions with people planning to have operations); closer working with care services, particularly around preventing ill-health; and better links with schools (something that would have been very difficult had PH remained an NHS services) – for example the development of 'parental contracts' at Varndean and Dorothy Stringer schools aimed at discouraging parents from supplying their children with alcohol.

- 8.33 In response to a question from GM about the end of the PH funding 'ring-fence', TS told the panel that he thought it likely that the ring-fence would eventually go, but that restrictions on the use of PH funding are likely to remain for the foreseeable future.
- 8.34 In answer to a query from GM on co-working across the council and with the third sector, TS told members that a good deal of co-working was under way – with for example PH taking over responsibility for some 'supporting people' services. PH was working closely with the third sector and with the council's Communities team to support change.
- 8.35 GM thanked all the witnesses for coming to the meeting and playing their part in a frank and informative discussion.

## **9 DATE OF NEXT MEETING**

The meeting concluded at Time Not Specified

Signed

Chair

Dated this

day of

**BRIGHTON & HOVE CITY COUNCIL**  
**SCRUTINY PANEL ON THE 2015/16 BUDGET**  
**10.00am 8 JANUARY 2015**  
**COUNCIL CHAMBER, HOVE TOWN HALL**  
**MINUTES**

**Present:** Councillor Mitchell (Chair)

**Also in attendance:** Councillors Littman and Simson

**PART ONE**

**10 PROCEDURAL BUSINESS**

- 10.1 Cllr Simson declared an interest as a trustee of the Youth Collective.
- 10.2 The press & public were not excluded from the meeting.

**11 MINUTES OF THE PREVIOUS MEETING**

- 11.1 The draft minutes of the 06 January meeting were not yet ready to be agreed – panel members will consider these and the draft minutes of the 08 January meeting at a later date.

**12 CHAIR'S COMMUNICATIONS**

- 12.1 There were none.

**13 BUDGET DISCUSSION**

- 13.1 Witnesses at this meeting were:

- Pinaki Ghoshal (PG), Executive Director Children's Services
- Richard Butcher Tuset (RBT), Head of Policy & Performance
- Linda Beanlands (LB), Commissioner Community Safety
- Peter Castleton (PC), Community Safety Manager
- Sarah Tighe-Ford (STF), Equalities Coordinator, Communities Team

**Children's Services**

- 13.2 PG told members that Children's Services spending could be classified under three areas: schools; high need specialist services; and less specialist work in areas such as early help, prevention, support for young people with Special Educational Needs (SEN), schools support, youth services, and children's centres.
- 13.2 There is relatively little opportunity for the council to make savings in schools spending: most of this funding is ring-fenced for specific purposes. There is the potential to make savings in specialist services over the longer term via more effective early help and preventative services reducing demand for high-cost specialist interventions such as taking children into care, and the council and partners are very much engaged in this area: e.g. via the development of the Early Help Hub (EHH) and the MASH (multi agency safeguarding hub), and the formation of an integrated 'adolescent' support service for our most vulnerable young people. However, in the short-term, there are relatively few savings to be made while demand remains at current levels.
- 13.3 In consequence, a large percentage of the savings planned are inevitably focused on the third category of services. Key elements here include a focus on more efficient provision of home-school transport; a re-design of SEN services following the recent SEN review (due to be reported to a joint meeting of Children's Committee and the Health & Wellbeing Board on 03 February 2015); the development of a Service Level Agreement (SLA) with schools that accurately captures the cost to the council of schools support; and improved intelligence, such as that already coming through the EHH, which will be used to improve commissioning.
- 13.4 In answer to a question from DS on the achievability of home-school transport savings, PG told members that there were achievable without significant negative impacts. There is a local culture of expectation in terms of the local authority providing transport to school, but whilst it is important that the council continues to support those who need and have a statutory right to support, in general the onus should be on parents taking responsibility for travel to and from school.
- 13.5 In response to a query from LL about the cumulative impact of savings plans on vulnerable children and families, PG told members that these risks would be mitigated by the ongoing work to ensure that services delivered to families are better integrated, more efficient, and more effectively personalised. For example, where children exhibit challenging behaviour we will be moving to offering more support to help families understand and manage their own children's needs rather than just supporting a range of professionals to deal with it outside the home.
- 13.6 In answer to a question from LL on the dangers of making short term savings before long term improvements are in place, PG assured members that he was alert to this danger. The MASH and the EHH provide an important safety net here – much more effectively so than the services they replaced.

- 13.7 In response to a question from GM on the impact of a series of savings on low income women and families, PG told members that we need to be clear about the financial situation we are facing: there is less money available to us and we need to make hard choices. It is important that we use the funds we do have in the most efficient way possible – and this relies upon us having and using the best possible intelligence. We also need to benchmark our services against those in other areas to ensure that we get best value for money. For example, most local areas do not fund extended services for schools; this is something that schools could do more to support locally. Similarly, the council is an outlier in subsidising its community learning services. Other city providers run a successful service without subsidising their offers and it seems sensible to follow their lead.
- 13.8 In answer to a question from GM on the changing role of schools, PG agreed that there were opportunities to encourage schools to do more to share the cost of a range of services that they benefit from. Since PG came into post he has been very active in strengthening the council's challenge to schools. We have seen a marked improvement in partnership working, but much more could be done. For example, schools are the biggest referrer to the EHH and already spend a good deal on early help (although they don't necessarily badge it as such). However, this provision tends to be undertaken in isolation from other agencies and sometimes from other schools. If the council, the Clinical Commissioning Group (CCG) and schools came together collectively to commission early help services then we would potentially see much better outcomes for young people.
- 13.9 In response to a query from DS on savings to third sector Youth Services, PG told members that Youth Services should be a key part of city early help provision. It is important that we move to a model in which youth workers are embedded in the early help system.
- 13.10 In answer to a question from DS about the pattern of referrals into the EHH, PG told the panel that referrals were largely in line with city demographics, with younger children and families being referred for help as well as teenagers. There are important links here with the Stronger Families Stronger Communities programme.
- 13.11 In response to a query from GM about youth offending, PG told members that there had been a significant reduction in the numbers of young people coming into the system, so much so that it will be possible to delete some vacant posts in the YOS team. Re-offending rates remain high, although the trend is positive. It is important that we maintain a focus on this area. GM agreed, noting that the figure for new entrants had fallen across the country, largely because the police have new powers to deal with offenders outside the court system.
- 13.12 In answer to a question from LL on the achievability of budget projections for high needs specialist services, PG informed members that this was a volatile area that could be impacted by events outside the council's control (for example, a high profile abuse case such as that of 'Baby Peter' could

increase the number of children referred for and taken into care). Whilst these risks cannot be wholly mitigated, they can be reduced by better partnership working and by initiatives such as the MASH. It is also important that we manage residential costs properly (a similar point applies to disability placements).

- 13.13 In response to a query from DS about the potential risk of schools opting out of buying council support services, PG told members that most schools do not currently opt out although they could do. It is important that the council offers high quality, value for money support to schools and also important that the council understands the costs associated with providing services: currently some services are financially self-sustaining; others are effectively subsidised by the council, but necessarily so as they mitigate risks for which the council is liable; and others are run at a loss – a position which is not tenable in the long term.

## **Communities**

- 13.14 RBT told members that the community and voluntary sector is very important to the city, with every £1 spent with the third sector estimated to generate £13 in other benefits. However, given the scale of the savings required from the council and other public sector bodies, public funding for the sector will inevitably come under increasing pressure in the coming years. It is therefore vital that we understand what the third sector (including social enterprises and faith groups) offers the city and how best to support it through a period of significant change.
- 13.15 In consequence, the council has invested in Community Works in order to support third sector transition. The council is also reviewing the current three year grant programme. In general we are likely to see a move away from grants to commissioning the sector (via the commissioning prospectus) to deliver specific services or outcomes. The council is also actively looking at national and international best practice in terms of identifying alternative income streams to support the third sector – for example encouraging philanthropic support for infrastructure projects.
- 13.16 In addition, the council is looking at its third sector contracts and commissions as part of the Value for Money (vfm) third party spend review. This review will seek to identify opportunities to increase efficiency and reduce duplication across the council's contracting and commissioning.
- 13.17 The council is also using a matrix impact approach to focus on key third sector organisations across the city, looking at how healthy they are, how resilient to change they are likely to be, and what can be done to support them to remain sustainable.
- 13.18 This year has also seen consultation with Community Works with regard to the draft budget plans. The tight time-scales for the budget make this process inherently challenging, but some good progress has been made since last year, and we are starting to move in the direction of a more collaborative

approach to budget setting with our third sector partners. More needs to be done though.

- 13.19 Going forward, the council will need to decide what services beyond those required by statute it wants to continue to support – the third sector needs to understand whether particular funding streams, such as three year grants funding, are going to be retained or discontinued.
- 13.20 The future is likely to see a growing role played by faith organisations across the city, and the council will need to further develop relationships with this sector.
- 13.21 In response to a question from DS about how the budget plans support community resilience, RBT told members that it was essential that the third sector was in a position to support increased community resilience. The city has a good track record of the city community and voluntary sector effectively managing significant change, for example in terms of the recent rationalisation of advice services. The move from grants funding to commissioning will also support the council's ability to target support where it is most needed. Future public sector funding for the third sector is likely to further community resilience by focusing on support for employment.

It is also important that the council supports community resilience by adopting a 'can do' attitude to community plans. The council is too often so risk adverse that it risks blocking worthwhile community-led ideas.

- 13.22 In answer to a question from LL on the impact of budget savings plans on women in disadvantaged communities, STF told members that certain groups of people are the heaviest users of council services – women, disabled people, older people, young people. Significant reductions in council funding will inevitably have a disproportionate impact on the groups that use services the most. However, it is important that the council identifies and monitors trends in terms of Equality Impacts, so as to best understand where it most needs to intervene. Having really good intelligence, and talking directly to communities, is key here.

RBT added that it was increasingly important that Equality Impacts were mapped across public services, not just the council. Good work has already been undertaken via the City Management Board, but more needs to be done.

## **Community Safety**

- 13.23 LB told members that the council's plans to change Community Safety provision were only part of the picture across the city; changes to police, probation and the court service also needed to be factored in. This adds complexity and makes it even more important that the council works together with its partners to mitigate the impact of savings plans.
- 13.24 Resources for Community Safety are reducing, but demand is increasing in key areas. These include: domestic violence, sexual violence, child sexual

exploitation, serious and organised crime, modern slavery and trafficking, harmful traditional practices, and re-offending by serious offenders. We need to target resources in these areas.

- 13.25 Some Community Safety work has been included in the recently re-profiled Public Health Substance Misuse Services contract (elements of services for street outreach and for prolific offenders). This represents good value for money without any negative impact on service delivery. There may be the potential to include some of the Communities Against Drugs work in the SMS contract.
- 13.26 Budget plans include a proposal to delete a vacant Prevent (domestic terrorism) post. However, there is the prospect of some Home Office funding here.
- 13.27 Transferring some responsibilities to the PH team has meant that capacity has been maintained in reducing hate crimes and in community engagement.
- 13.28 The council commissioner for violence against women and children is now a shared post with East Sussex County Council, reducing the burden of costs.
- 13.29 Environmental Project Officers have been transferred to the council's Communities team to make best use of the considerable overlap with this service.
- 13.30 In response to a question from LL about protecting and enhancing intelligence functions, LB told members that high quality intelligence was very important. We are working with the Police & Crime Commissioner and with Sussex Police to share intelligence more effectively, particularly in terms of Serious and Organised Crime and Child Sexual Exploitation. Services have also been thinking innovatively here: for example by training Environmental Health officers who inspect restaurants and other businesses to be aware of trafficking issues.
- 13.31 PC told members that Community Safety has doing more work to support the police – and particularly Police Community Support Officers to manage their most difficult cases. There is also a growing role in supporting 'mainstream' services such as Housing Associations and the council's Housing service.
- 13.32 In response to questions about Community Safety's role in building community resilience, LB told members that the service had been involved in the successful 'One Voice' meetings bringing together the council's Chief Executive and Executive Leadership Team with representatives of BME and Muslim communities. There is scope to do more in terms of bringing communities together with public sector decision-makers.
- 13.33 In answer to a question from DS about the potential cumulative impact of budget plans on particular groups, such as women, LB told the panel that she shared their concerns, but hoped that effective planning across agencies,



pooled budgeting, better integration with safeguarding services, and a greater focus on early intervention would ameliorate some of this impact.

#### **14 THE NEXT STEPS**

The meeting concluded at Time Not Specified

Signed

Chair

Dated this

day of

**Extract from the draft minutes of the 26 Jan 2015 Overview & Scrutiny Committee (OSC) meeting**

43.1 Cllr Mitchell, who had chaired the budget scrutiny panel, told the committee that the panel had been struck by the complexity of this year's budget planning and by how much good work was taking place. Moves to protect and coalesce the council's 'intelligence' functions were also welcomed by the panel. However, panel members had concerns about the cumulative impact of the savings plans, and about assumptions that as yet unspecified service changes would deliver significant in-year savings.

43.2 Cllr Simson agreed that the budget sessions had been very informative: it was good to see so much starting to happen. However, it was disappointing that the lead members for some service areas had been unable to attend the panel's evidence gathering meetings. It was also disappointing that Community Works had not been able to participate in the formal budget scrutiny panel process to the same extent as in previous years.

43.3 Cllr Hawtree noted a dichotomy between the civilised and consensual tone of the budget scrutiny report and the tone of debate at previous budget council meetings. Cllr Summers agreed that it was unfortunate that budget debate too often ended in party political wrangling and was reported so negatively in the local media. It would be useful if the media reported the findings of the budget scrutiny panel, since it would show how hard the council was working to make the organisation more efficient.

43.4 Cllr Mitchell told the committee that it was important that new members were thoroughly briefed about budget and other financial matters – this should be included in the new member induction programme, and potentially also in the sessions currently being run for aspirant new members. Cllr Wilson noted that training on budget issues would have been useful to her; as a member who joined the council following a by-election she had not gone through the new member induction process.

43.5 **RESOLVED** – that the budget scrutiny panel report be endorsed and referred to Policy & Resources committee for consideration.

**Appendix Six (of Budget Scrutiny Panel Report)**

**Scrutiny Budget Panel 2015/16: List of Recommendations and Proposed Responses:**

<b>Recommendation</b>	<b>Context to response</b>	<b>Action proposed</b>
<p>1) Budget planning for 2016/17 and subsequent years should include a series of member seminars at which council officers and partners can detail the progress of their collaborative work and its impact on budget plans.</p>	<p>The Local Strategic Partnership (Brighton &amp; Hove Connected) is a public forum to which reports on partnership activity are regularly submitted and considered by the meetings of the partnership. Specific items have also been considered at the City Management Board (CMB) and CMB Finance Directors sub-group in relation to budget planning including sharing financial planning information wherever possible.</p>	<p><b>Agreed with options:</b></p> <p>Options could include specific agenda items around budget and resource planning at one or more Brighton &amp; Hove Connected meetings at appropriate times of the year to which members of all parties could be invited. Alternatively, an extraordinary meeting or specific seminar could be considered to achieve the same. Options will be considered and reflected in the 'budget process' report to Policy &amp; Resources Committee for Members' approval, usually taken in July of each year.</p>

Recommendation	Context to response	Action proposed
<p>2) The council's intelligence functions are key to delivering the levels of savings required. The council should continue to fund these services at the current level at the very least.</p>	<p>The importance of these services is well understood in terms of supporting effective long term planning and commissioning of services. However, like many information services, intelligence services are improving over time and, in particular, the continuing alignment and increased sharing of data across partnerships makes extracting, analysing and presenting information easier and more efficient with time. Therefore, while intelligence information should and can continue to improve, this does not necessarily mean that it will cost the same to provide over time.</p>	<p><b>Partially agreed:</b></p> <p>The importance of intelligence services is acknowledged but there are many options for organising who provides information and how it is provided across and between partners. In addition, this cannot preclude all political groups from being able to put forward investment or savings proposals for any service, including intelligence services, as part of budget proposals or by amendment thereof.</p>
<p>3) The council should report back to the September 2015 P&amp;R Committee on the impact on protected groups of the 2015/16 budget savings and those of our public sector partners.</p>	<p>It should be noted that some savings proposals will require ongoing monitoring and reporting to relevant policy and service committees as normal. For example, initiatives linked to Better Care Fund Plan implementation will be reported to the Health &amp; Wellbeing Board.</p>	<p><b>Agreed:</b></p> <p>However, Members may wish to consider whether or not this is more properly considered by the Health &amp; Well-being Board rather than the Policy &amp; Resources Committee.</p>