





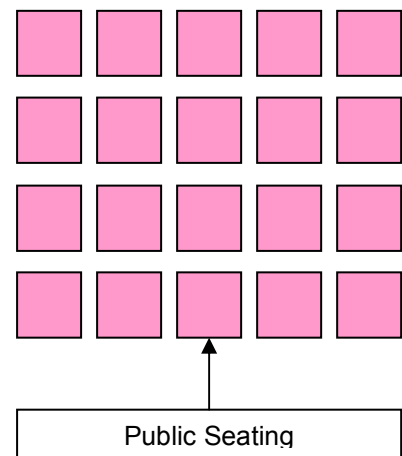
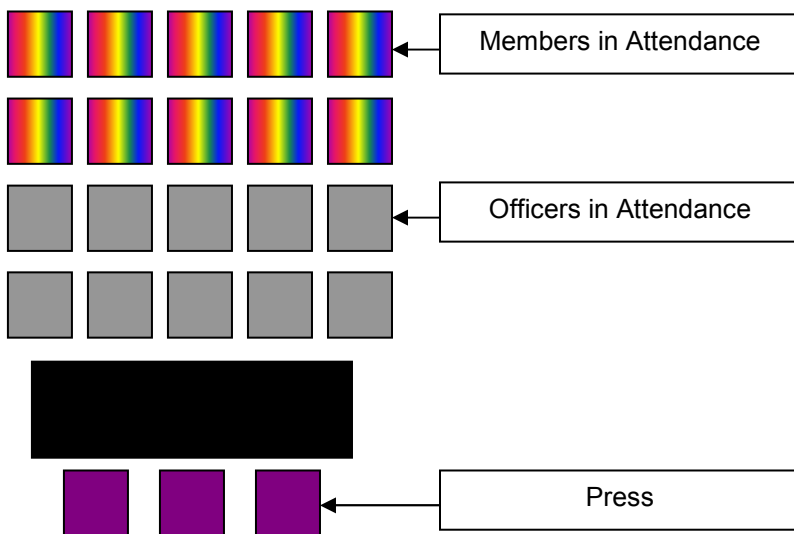
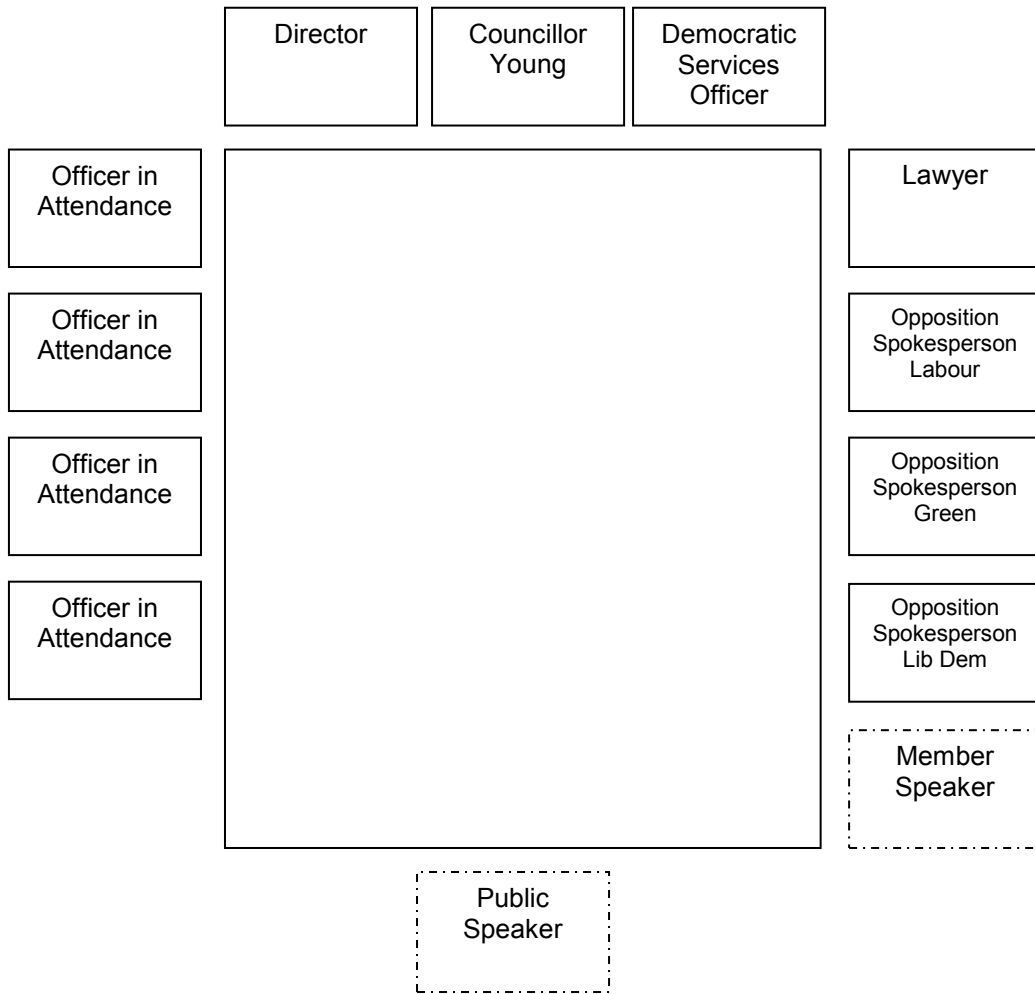
Brighton & Hove  
City Council

# Cabinet Member Meeting

Title:	<b>Finance Cabinet Member Meeting</b>
Date:	<b>18 January 2010</b>
Time:	<b>4.00pm</b>
Venue	<b>Committee Room 1, Hove Town Hall</b>
Members:	<b>Councillor:</b> Young (Cabinet Member)
Contact:	<b>Nara Miranda</b> Democratic Services Officer 01273 291004 (voicemail only) nara.miranda@brighton-hove.gov.uk

	The Town Hall has facilities for wheelchair users, including lifts and toilets
	An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter and infra red hearing aids are available for use during the meeting. If you require any further information or assistance, please contact the receptionist on arrival.
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# Democratic Services: Meeting Layout



## AGENDA

### 24. PROCEDURAL BUSINESS

- (a) Declarations of Interest by all Members present of any personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct.
- (b) Exclusion of Press and Public - To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

*NOTE: Any item appearing in Part 2 of the Agenda states in its heading either that it is confidential or the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the public.*

*A list and description of the categories of exempt information is available for public inspection at Brighton and Hove Town Halls.*

### 25. MINUTES OF THE PREVIOUS MEETING

1 - 4

Minutes of the Meeting held on 12 October 2009 (copy attached).

### 26. CABINET MEMBER'S COMMUNICATIONS

### 27. ITEMS RESERVED FOR DISCUSSION

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

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

### 28. PETITIONS

No petitions received by date of publication.

## **FINANCE CABINET MEMBER MEETING**

### **29. PUBLIC QUESTIONS**

(The closing date for receipt of public questions is 12 noon on 11 January 2010)

No public questions received by date of publication.

### **30. DEPUTATIONS**

(The closing date for receipt of deputations is 12 noon on 11 January 2010)

No deputations received by date of publication.

### **31. LETTERS FROM COUNCILLORS**

No letters have been received.

### **32. WRITTEN QUESTIONS FROM COUNCILLORS**

No written questions have been received.

### **33. NOTICES OF MOTIONS**

No Notices of Motion have been referred.

### **34. INCOME COLLECTION AND RECOVERY 2009/10 - QUARTER 3**

Report of the Director of Finance & Resources (copy to follow)

*Contact Officer:* Nigel Manvell *Tel:* 29-3104

*Ward Affected:* All Wards;

### **35. VALUE FOR MONEY - PHASE 2 UPDATE**

**5 - 12**

Report of the Director of Finance & Resources (copy attached).

*Contact Officer:* Nigel Manvell *Tel:* 29-3104

*Ward Affected:* All Wards;

## FINANCE CABINET MEMBER MEETING

The City Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public. Provision is also made on the agendas for public questions to committees and details of how questions can be raised can be found on the website and/or on agendas for the meetings.

The closing date for receipt of public questions and deputations for the next meeting is 12 noon on the fifth working day before the meeting.

Agendas and minutes are published on the council's website [www.brighton-hove.gov.uk](http://www.brighton-hove.gov.uk). Agendas are available to view five working days prior to the meeting date.

Meeting papers can be provided, on request, in large print, in Braille, on audio tape or on disc, or translated into any other language as requested.

For further details and general enquiries about this meeting contact Nara Miranda, (01273 291004 (voicemail only), email [nara.miranda@brighton-hove.gov.uk](mailto:nara.miranda@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

Date of Publication - Friday, 8 January 2010



# FINANCE CABINET MEMBER MEETING

## Agenda Item 25

Brighton & Hove City Council

**BRIGHTON & HOVE CITY COUNCIL**

**FINANCE CABINET MEMBER MEETING**

**4.00pm, 12 OCTOBER 2009**

**COMMITTEE ROOM 3, HOVE TOWN HALL**

### **MINUTES**

**Present:** Councillor Young (Cabinet Member)

**Also in attendance:** Councillor Hamilton, Opposition Spokesperson, Labour

**Other Members present:** Councillors Fallon-Khan

### **PART ONE**

#### **12. PROCEDURAL BUSINESS**

##### **12a. Declarations of Interest**

12.1 There were none.

##### **12b Exclusion of Press and Public**

12.2 In accordance with section 100A of the Local Government Act 1972 ('the Act'), the Cabinet Member for Finance considered whether the press and public should be excluded from the meeting during an item of business on the grounds that it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press or public were present during that item, there would be disclosure to them of confidential information (as defined in section 100A(3) of the Act) or exempt information (as defined in section 100I(1) of the Act).

12.3 **RESOLVED** – That the press and public be not excluded from the meeting.

#### **13. MINUTES OF THE PREVIOUS MEETING**

13.1 **RESOLVED** – That the minutes of the meeting held on 29 June 2009 be approved and signed by the Cabinet Member as a correct record.

#### **14. CABINET MEMBER'S COMMUNICATIONS**

14.1 There were none.

**15. ITEMS RESERVED FOR DISCUSSION**

15.1 All items were reserved by the Cabinet Member.

**16. PETITIONS**

16.1 There were none.

**17. PUBLIC QUESTIONS**

17.1 There were none.

**18. DEPUTATIONS**

18.1 There were none.

**19. LETTERS FROM COUNCILLORS**

19.1 There were none.

**20. WRITTEN QUESTIONS FROM COUNCILLORS**

20.1 There were none.

**21. NOTICES OF MOTIONS**

21.1 There were none.

**22. INCOME COLLECTION & RECOVERY 2009/10 - QUARTER 1**

22.1 The Cabinet Member considered a report of the Director of Finance & Resources, which updated the Member on income collection and recovery performance for 2009/10 as at quarter 1 (June 2009) and highlighted the improvement and best practice actions (for copy see minute book).

22.2 The Cabinet Member explained that the income collection reports complemented the Targeted Budget Management reports and paid particular attention to the performance of the teams responsible for collecting and recovering income. She noted that these regular updates served to give public assurance that business, services users and citizens paid their debts promptly and where this did not happen, the council could take quick and effective recovery action. She noted that the council was also mindful of the fact that some people and businesses may struggle to pay and, where this was the case, the council would support them by putting payment plans in place where it was possible.

22.3 The Cabinet Member also noted that, overall, all income collection areas were performing well given the current economic climate, and the one area where performance was below target would be kept under review.



- 22.4 The Opposition Spokesperson, Labour, enquired whether there had been an increase in the direct debit take up on Housing Rents since the Direct Debit campaign that had taken place in the previous year.
- 22.5 The Assistant Director Financial Services reported that there had been an increase in take up from 23% to 26%. He noted that even though the increase had been relatively slow, it was steadily improving.
- 22.6 The Opposition Spokesperson referred to paragraph 4.2 of the report and sought clarification as to the reasons why the delays in processing safe custody customs occurred in the Adult Social Care section.
- 22.7 The Assistant Director Financial Services explained that the delays were due to internal processing, but that cash had actually been received. He noted that the DWP had changed its processing system and the way in which electronic data was provided and that this had had an impact on transferring the information to the council's systems and, consequently, to debtors' accounts.
- 22.8 **RESOLVED** - That the report be noted.

### 23. VALUE FOR MONEY - PHASE TWO

- 23.1 The Cabinet Member considered a report of the Director of Finance & Resources, concerning phase two of the Value for Money programme. The report updated the Member on the council's programme for ensuring value for money across all its services (for copy see minute book).
- 23.2 The Cabinet Member drew attention to the challenges that the council, and other organisations, currently faced financially and noted that the council would see its current grant allocation either frozen or reduced while, at the same time, the demand for services would continue to increase.
- 23.3 The Cabinet Member pointed out that against the above background, the council required a robust response and planning which could help preserve the delivery of key services to the most vulnerable people in the city. She noted that officers were carrying out a council-wide review of all services to assist the city with finding savings, whilst also positively challenging the way it provides services to ensure they were delivered in the most cost effective and efficient way. She further noted that officers had already a number of other work-streams that would support this programme and help deliver better services, better value and a better customer experience.
- 23.4 The Opposition Spokesperson noted the formula grant detailed in page 20 of the report, which was assumed to be 0% for the next 3 years. He accepted that whatever political party that came into legislation in the next year would face a challenging task in terms of the savings proposed and indicated in the report.
- 23.6 **RESOLVED** - That the continued progress of the Value for Money Programme be noted.

The meeting concluded at 4.15pm

Signed

Cabinet Member

Dated this      day of

# FINANCE CABINET MEMBER MEETING

## Agenda Item 35

Brighton & Hove City Council

<b>Subject:</b>	<b>Value for Money: Phase 2 Update</b>		
<b>Date of Meeting:</b>	<b>18 January 2010</b>		
<b>Report of:</b>	<b>Director of Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Nigel Manvell</b>	<b>Tel:</b> 29-3104
	<b>E-mail:</b>	<a href="mailto:Nigel.manvell@brighton-hove.gov.uk">Nigel.manvell@brighton-hove.gov.uk</a>	
<b>Key Decision:</b>	No	Forward Plan No: N/A	
<b>Wards Affected:</b>	All		

### FOR GENERAL RELEASE

#### 1 SUMMARY AND POLICY CONTEXT:

- 1.1 This report provides an update on the council's phase 2 programme for ensuring value for money (VFM) across all of its services.

#### 2 RECOMMENDATIONS:

- 2.1 That the continued progress of the Value for Money Programme into phase two be noted.

#### 3 RELEVANT BACKGROUND INFORMATION

- 3.1 The council undertook a value for money programme between September 2007 and November 2008 which saw its Use of Resources score increase and which supported an uprating to 'excellent' against the Audit Commission's Comprehensive Performance Assessment framework. Use of Resources performance has been maintained under the new harder test contained within the new Comprehensive Area Assessment.
- 3.2 The council continues to deliver actions arising from the first programme but has also refreshed its approach and developed a High Level Business Case for a larger scale, second phase of work that:
- builds on the successes and learning points from the first phase;
  - takes into account the changes in the national and local financial contexts; and
  - provides renewed impetus to drive improvements in value for money across key service areas.

### 3.3 Financial Context

3.3.1 For the period 2007/08 to 2009/10 the council's Medium Term Financial Strategy identified the need to generate approximately £10 million savings per annum. As previously reported to the Cabinet Member, projections about future grant settlements combined with recent upward trends in service pressures and costs have significantly increased the estimated savings requirements over the next four years.

3.3.2 The latest update of key financial assumptions is as follows:

	2010/11	2011/12	2012/13	2013/14
Formula Grant increase	1.5%	0%	0%	0%
Council Tax increase	2.5%	2.5%	2.5%	2.5%
Total cost pressures	£16.3m	£20.7m	£18.4m	£17.1m
Estimated Savings required	(£13.6m)	(£16.2m)	(£14.6m)	(£14.0m)

3.3.3 This clearly shows a step increase in the savings required per annum from the scale delivered over the last three years. Clearly every year the cumulative impact of delivering savings becomes increasingly challenging and this means a fundamental look at our approach is required. Although most savings for 2010/11 have now been identified, savings in later years, amounting to approximately £45 million, will be much harder to achieve without a change of approach.

### 3.4 High Level Business Case (HLBC)

3.4.1 As reported in October, in response to the challenging medium term budget forecast, phase 2 of the VFM Programme includes the development of a high-level business case. This has now been completed and has identified opportunities available to the council to deliver savings through improving value for money. However, any savings opportunities within the business case are still subject to the council's normal decision making processes before implementation.

3.4.2 The business case will therefore support the council's budget setting process and Medium Term Financial Planning but will also be supplemented by member decisions on service priorities, levels and desired outcomes.

3.4.3 Following a prioritisation exercise, which took into account the scale of spend, areas of high cost and experience from other authorities, a list of service areas for more detailed analysis was identified. These are:

- Workstyles (i.e. how and where staff work)
- ICT

- Procurement
- Adult Services:
  - i) Learning Disabilities (LD)
  - ii) Physical Disabilities (PD)
  - iii) Older People (OP)
- CYPT
- Sustainable Transport & Fleet Management

3.4.4 For these priority areas, the HLBC has identified potential value for money gains of between £19 and £35 million deliverable over a 4 year period. This will not fully meet the council's savings targets over the next few years and therefore directorates will still be required to develop other value for money or savings proposals over the coming years. The main areas of focus within each priority area are detailed at Appendix 1. The actions required to implement these and HLBC areas will be fed into the directorate business planning process at the appropriate time. Ultimately, the level of value for money gains achieved will be dependent on the resources, decisions and capacity of the council to implement each priority area.

3.4.5 The areas recommended within the HLBC represent broader and more complex transformational change than the previous VFM approach. This implies a new way of working for the council, with clear accountability and monitoring, and a more centralised approach to delivering the priority areas of the phase 2 VFM programme to ensure delivery.

3.4.6 Expert advisers, Impower, who have wide experience of helping councils with VFM programmes and who have been helping the council to develop its HLBC, have been clear that to achieve this level of change and the associated value for money gains will require a significant investment of targeted staffing and resources. The council will therefore ensure appropriate governance of the phase 2 programme so that progress is effectively monitored and that appropriate resources are allocated to the achievement of the programme. The VFM Programme Board will oversee progress.

3.4.7 The phase 2 VFM Programme is now progressing and over the next 3 months resources will be identified and the programme structure and governance will be finalised. A VFM Programme Director has been appointed through an internal secondment for 18 months to oversee effective implementation.

### **3.5 Other elements to Phase 2 of the VFM Programme**

- 3.5.1 In addition to the high level business case other workstreams are continuing within phase 2 of the VFM programme and there is a wide range of related activity across the organisation.
- 3.5.2 The “Improving the Customer Experience” workstream is considering how, why and where residents access council services and identifying ways in which we can both increase satisfaction with our services and reduce cost. An example might be further web-enabling a particular service because we know that this access channel is cost-effective and for some groups of customers, their preferred way of engaging with the council.
- 3.5.3 A “Show Me” project has been completed in the Housing Management service, also supported by iMPower, which was designed to:
- improve the customer experience and outcomes through optimising the access and service model;
  - identify how costs could be reduced; and
  - increase productivity.

An implementation plan, including appropriate consultation, is now being developed.

- 3.5.4 A programme of training in Systems Thinking (or “Lean”) reviews has now been provided to all directorates, delivered by Vanguard. A number of services are now embarking on Systems Thinking reviews, as detailed in the draft 2010/11 budget strategies. These include:
- Revenues & Benefits
  - Finance
  - Development Control (Planning)
  - Financial Assessment Services (Adult Social Care)
  - Culture & Enterprise

Other services are also expected to undertake Systems Thinking reviews over the next few years. Essentially, these reviews provide a better analysis of the way in which things are done and help to identify where there are blockages or where processes don't work well. The aim is to redesign the system of working so that a very high percentage of services are provided 'right first time'. This can both improve the customer experience but also reduces the cost of dealing with customer enquiries, complaints, or having to re-do work.

### **3.6 Communications**

3.6.1 A detailed communications plan will be drawn up for the phase 2 VFM programme and separate communication campaigns will be drawn up for each of the HLBC priority areas. The key messages for all stakeholders are:

- better services
- value for money gains
- better customer experience
- large scale cultural and organisational change

The communication strategy needs to support a shift in the organisation to both lead and work in a different way in the future to ensure it can continue to improve services within the new national and local financial context.

## **4 CONSULTATION**

4.1 The detailed communications plan for the programme includes all key stakeholders. As proposals to make changes to any services emerge the council's normal decision making and consultation processes will apply.

## **5 FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

5.1 The VFM programme supports the council's medium term financial strategy and other budget setting processes. The costs associated with the delivery of the programme are paid for partly by the council's VFM Transformation Fund and additional one-off resources in the 2010/11 budget proposals and/or through individual business cases. Some elements of the programme are also supported by grant funding, for example Social Care Reform Grant in Adult Social Care. The resources required to support the programme are also identified in the Medium Term Financial Strategy which will continue to be revised for future years depending on resourcing requirements.

*Finance Officer Consulted: Nigel Manvell*

*Date: 06/01/2010*

### Legal Implications:

5.2 As the contents are for noting only, there are no immediate legal implications arising from this report. At the time that any specific actions are considered, in accordance with the council's normal decision making process, specific legal implications will be covered in individual reports.

*Lawyer Consulted: Oliver Dixon*

*Date: 06/01/2010*

Equalities Implications:

- 5.3 As implications to services become known, equality impact assessments will be carried out to establish equalities considerations. Services will be evaluated as the programme goes forward.

Sustainability Implications:

- 5.4 These will be evaluated as the programme goes forward.

Crime & Disorder Implications:

- 5.5 None directly identified.

Risk and Opportunity Management Implications:

- 5.6 The programme seeks to address risks identified in maintaining current expenditure levels and service demands. Risk are assessed by the VFM Programme Board and the council as the programme advances and will be fully mapped and monitored in accordance with the council's Risk and Opportunity Management framework as service changes are known.

Corporate / Citywide Implications:

- 5.7 None directly identified.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. High Level Business Case – Priority Areas



## VFM Phase 2 - High Level Business Case Priority Areas

Priority Area	Identified Value for Money Opportunities
<b>Adult Services</b>	<ul style="list-style-type: none"> <li>• Personalisation of social care including Implementing Personal Budgets</li> <li>• Implementing re-ablement services more widely</li> </ul>
<b>Children's Services</b>	<ul style="list-style-type: none"> <li>• Investing in prevention</li> <li>• Changing the planning and processing of care placements</li> <li>• Improving procurement and commissioning</li> </ul>
<b>ICT</b>	<ul style="list-style-type: none"> <li>• Enhancing governance and processes</li> <li>• Improving ICT application management</li> <li>• Improving ICT infrastructure management</li> </ul>
<b>Workstyle</b>	<ul style="list-style-type: none"> <li>• Rationalising property and redesigning layouts</li> <li>• Enhancing productivity through new ways of working (e.g. mobile working, home-working, hot-desking) supported by technological and performance management changes</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• Introducing category management (compared with current service based procurement)</li> <li>• Implementing operational changes to improve procurement practice across the council</li> </ul>
<b>Sustainable Transport &amp; Fleet Management</b>	<ul style="list-style-type: none"> <li>• Assessment of transport priorities and legal obligations in relation to bus subsidies</li> <li>• Restructuring the workforce</li> <li>• Fleet management</li> </ul>

