

BRIGHTON & HOVE CITY COUNCIL
OVERVIEW & SCRUTINY COMMISSION
4.00PM 22 FEBRUARY 2011
COUNCIL CHAMBER, HOVE TOWN HALL
MINUTES

Present: Councillors Mitchell (Chairman); Pidgeon (Deputy Chairman), Bennett, Cobb, Elgood, Morgan, Peltzer Dunn, Wakefield-Jarrett, Meadows, Randall and Kemble

PART ONE

66. PROCEDURAL BUSINESS

66a Declarations of Substitutes

Councillor Kemble was substituting for Councillor Older and Councillor Randall was substituting for Councillor Kennedy.

66b Declarations of Interests

There were none.

66c Declaration of Party Whip

There were none.

66d Exclusion of Press and Public

In accordance with section 100A(4) of the Local Government Act 1972, it was considered whether the press and public should be excluded from the meeting during the consideration of any items contained in the agenda, having regard to the nature of the business to be transacted and the nature of the proceedings and the likelihood as to whether, if members of the press and public were present, there would be disclosure to them of confidential or exempt information as defined in section 100I (1) of the said Act.

RESOLVED: That the press and public be not excluded from the meeting.

67. CHAIRS COMMUNICATIONS

67.1 The Chairman Councillor Gill Mitchell said the meeting was being recorded and would be capable of repeat viewing.

68. BUDGET SCRUTINY; REPORTS TO 17 FEBRUARY CABINET**68. BUDGET SCRUTINY; REPORTS TO 17 FEBRUARY CABINET**

Councillor Gill Mitchell the Chairman welcomed Councillors Jan Young and Trevor Alford, Cabinet Members to the meeting.

Cabinet Agenda Items 164 and 165; General Fund Revenue Budget and Council Tax 2011-2012 and Capital resources and Capital Investment Programme 2011 – 2012

68.1 Councillor Young the Cabinet Member for Finance said she was pleased to introduce the budget for 2011-2012 and asked the Director of Finance to clarify a number of key areas in the proposals that had recently been questioned, such as the use of reserves, inflation assumptions and impact on staffing.

68.2 Catherine Vaughan, Director of Finance said the Council was now looking for some £33.9million in budget reductions for 2011-2012. This change in the overall total budget gap, anticipated at around £20million in July 2010, had been largely affected by reductions in formula grant and changes in specific grants, all of which had been analysed in detail. The proposed 1% reduction in Council Tax added to the budget reduction requirement.

68.3 She explained the proposed allocations of useable reserves following a comprehensive review as set out in report paragraphs 3.26 – 3.32. The projected underspend for 2010/2011 would create new useable reserves. Examples of budget reductions included the pay award and pensions contributions had not been as high as expected so these areas contributed positively to the overall budget position.

68.4 Not all the anticipated £28 million savings were achievable from 1 April due to lead-in times for example for consultation with staff. Funding had been set aside for restructure and redundancy costs.

68.5 Regarding the 2% inflation level, all significant costs were being considered individually in the budget planning, especially for example social care costs and energy where prices created significant pressures. There was no general assumption that contracts would be uplifted by inflation and the situation would be kept under review.

68.6 Councillor Young noted that the Value for Money programme had over-achieved in the past two years. The third phase of VFM was getting under way; this, and Intelligent Commissioning would present a key advantage for the overall budget position including for future years. She preferred to delete vacant posts rather than make staff redundant, she said.

68.7 Councillor Alford was pleased that all aspects of the budget were being considered in full; that savings were being generated by doing things more efficiently and intelligently rather than traditional 'salami-slicing.' He gave an example of a review of procurement, especially in ICT.

68.8 The Cabinet Member and Director of Finance replied to questions on the validity of assumptions made, particularly at a time of budget cuts and uncertainty for instance in future energy supplies. There was still no information on some of the specific grants and assumptions and judgements had to be made on the best information available and experience. On-going and one-off risk provisions gave a level of flexibility.

68.9 The Council took advice from consultants on the 3 main energy contracts with different timeframes; for gas, electricity for small buildings and electricity for large buildings. More efficient procurement was producing savings but underlying prices were still rising. No assumptions on feed-in tariffs had been made at this stage, other than making the best use of housing stock.

68.10 Major works on Woodingdean Crossroads had been funded during 2010-2011 through additional coastal protection funds as the result of a successful legal claim. The risk regarding a land sale that had previously been linked with the project was reported to July 2010 Cabinet and no reduction in coastal protection or LTP funding for 2011-2012 was being proposed in relation to this scheme.

68.11 Some concerns were expressed about funding for community safety in future years. The Strategic Director Communities David Murray highlighted the importance of protecting frontline services that were fit for purpose. Officer support and funding for community safety for 2012-2013 would be challenging. Options were being looked at with partners.

68.12 Some Members were especially pleased that the Aids support grant and short breaks for disabled children were being protected.

68.13 The Strategic Director People Terry Parkin answered a question on the Ethnic Minority Achievement scheme which was now proposed to be funded via the Dedicated Schools Grant.

68.14 Several Members of OSC were disappointed at the low level of information given on Equalities Impact Assessments (EIAs) in the budget papers. There was a lot of expertise in this area and the Community Safety EIA did show how well these could be done, though the budget reports gave only scant reference to crime and disorder implications. Greater consideration of disability alongside transport options was needed, it was felt.

68.15 Members pointed out that EIAs had been requested a number of times and more detailed individual equalities strands would represent a helpful and practical 'way in' to the key issues for individuals, in budget reports that otherwise could be seen as impenetrable in places.

68.16 The Strategic Director Communities told Members that the details provided in the EIAs via the web-link were not a 'tick-box' exercise but scanning documents. Thinking about the cumulative impact of the budget for example on youth services had in fact influenced the final proposals. The EIAs were proportionate at present but they could become more detailed where necessary and more of the wider cumulative impacts could be included and work would continue.

68.17 It was agreed that the EIAs would be included with the budget papers presented to OSC next time and presentation of budget reports and in particular the implications for people could be looked at for the future.

68.18 The Chairman was pleased that cumulative impacts were being considered; this had been one of the recommendations of the scrutiny panel on the societal impact of the in-year budget reductions.

68.19 Some Members felt there should be more focus on preventive measures rather than crisis services, and that the report needed to give a better overall picture especially of Youth Services, with reference to the loss of the Education Maintenance Allowance, and the high level of youth unemployment in the city.

68.20 The Strategic Director People reminded the Commission that comments from CYPOSC had been taken into account in the proposals. A wide range of support, statutory and non-statutory was provided for young people and this year there would be an increase of £2.9million in services to children, much of which could be described as 'early intervention.' Changes proposed for Youth Offending Services related to administrative support and would not affect staff available for supervision, he said.

68.21 Chris Todd referred to the CVSF written contribution to today's meeting that had been circulated to Members. He said a step towards EIAs was welcome though he did not find them informative in their current format. They did not compare well with the risk assessment methodology and needed to describe potential impacts more clearly, in his view.

68.22 Protection of frontline services was also welcomed, but the longer-term impact of some of the proposals – for example reducing council tax and removing cycle lanes - gave less room for manoeuvre. He later reiterated his concern that a 1% cut in the Council Tax in these proposals would more seriously affect the tax base in future years, especially during increased pressures on services and more uncertainty over future funding. He stressed the need to protect vulnerable people over the longer term.

68.23 Another concern was the assumption that providers would be able to manage inflation within existing budgets; there was a risk that higher inflation could affect the quality of services. With regard to S106 interest funding he asked how community projects are agreed and whether communities could bid. In the context of the cash freed up through the waste disposal contract, he asked about incentives for increasing recycling, and was concerned that ideas for recycling elicited from the community by an innovative CityClean consultation should not be lost.

68.24 He urged the Council to ensure good on-going dialogue with the Community and Voluntary sector. It was hard to communicate and work together but there were difficult changes for all, that reinforced the need to do so.

68.25 The Strategic Director Communities reminded Members of the undertaking in the papers to minimise the impact on the Community and Voluntary sector. He said this commitment differed from some other local authorities that are cutting severely. The Council was keen to work together with the sector. It was widely recognised that intelligent commissioning was introducing major changes and avoiding duplication was key. So working with multiple

agencies doing very similar work was not necessarily cost-effective or fruitful. What he called a 'reciprocal moment' in ways of working with and within the local third sector would help, in his view.

68.26 Answering questions the Director of Finance reassured the meeting that an increase in recycling would continue to be beneficial to the Council within the terms of the waste disposal contract, which was nationally recognised as good waste practice. Opportunities existed for recycling initiatives to be funded to generate savings in the longer term if there was a sound business case. She clarified the Community Assessment savings proposals set out in Appendix 10. The Council wanted to make better use of the interest on S106 money, for instance it had used some to replace Playbuilder funding in 2010/11. The interest was part of the council's resources rather than to be bid for. Councillor Young remarked that spending policies for S106 interest were being considered.

68.27 There was currently very little leeway in any public service budget; the main budget constraints included Council Tax parameters and on-going reductions in national grant funding. However the Council was in a position to create some flexibility for instance via Value For Money, with savings being reinvested in frontline services and Intelligent Commissioning providing better information on needs and improved delivery of the desired outcomes.

68.28 Councillor Anne Meadows, Chair of ASCHOSC had great concerns that significant savings on personalisation and reablement services could result in reduced levels of care in the future for those who were in most need of these services, especially those with learning disabilities. She later pressed her view that 'stretching' service providers could result in more expensive interventions later on for vulnerable people or reduced services as pressures grow. She felt that more investment in these areas in this budget would bring longer-term benefits.

68.29 Answering a question on a planned budget reduction for Examinations in Public the Strategic Director Place Geoff Raw said fewer major planning applications and public inquiries were anticipated and an EIP was thought unlikely at this stage. This would be kept under review. More generally, the need to make savings did open up new opportunities to do things more efficiently, he said.

68.30 The Strategic Director People referred to the VFM programme and was confident that significant cost reductions could be achieved at the same time as service improvements, as shown from past reorganisations. The budget showed a £2.1 million growth in children's services and an overall growth in Adult Social Care budget of nearly £5 ½ million including £3 million from the Primary Care Trust. Responding to a comment on taking the cheapest options, he said choice of services was not based on the lowest cost.

68.31 The Lead Commissioner People Denise D'Souza said Personalisation and VFM had been in operation for some years and had been shown to be successful. Adult Social Care commissioning was focussed not on the cheapest option but on the best outcomes for individuals. Outcomes would continue to be monitored, including across independent providers, which was the largest sector. Training packages and incentives were discussed in detail with service providers alongside inflationary pressures and she was mindful of the impacts of funding decisions by other local authorities. Some authorities were considering reducing levels of eligibility for services, she said which was not the case for Brighton & Hove.

68.32 In reply to a query on predicted savings on looked after children the Strategic Director People said that the Council had a disproportionate number of children in care and more work was needed to reduce this number including the number being looked after outside the City, which was more expensive.

68.33 The Director of Finance told the meeting that because of the considerable proportion of council spending on social care services for children and adults, it was essential to manage the budgets well. Brighton & Hove were in the top quartile of local authority spenders on all social care services but Month 9 TBM projected underspends had helped with regard to planning for future years.

68.34 The Chairman commented that children were taken into care for the right reasons, but in view of the large numbers involved, it would be beneficial for the subject of looked after children to be brought to scrutiny.

68.35 There were further questions on Legal Aid and advice services and the Disability Living Allowance, for which local authorities were awaiting the outcome of a recent government consultation

68.36 The Lead Commissioner Housing Jugal Sharma replied to queries on reviews of mental health and accommodation service areas where outcomes were deemed to have been very poor and being de-commissioned and re-commissioned with embedded outcomes. Senior officers gave further details and assured Members that there would be no gap in provision to service users.

Cabinet Agenda Item 166; Housing revenue account budget 2011 – 2012

68.37 The Strategic Director Place Geoff Raw introduced the Housing Revenue Account Budget 2011/2012 and said a key aim in this area was on reducing management costs and improving value for money. Following removal of housing subsidy a new self-financing system would be introduced from April 2012 whereby the Council would be able to retain more of its rental income to reinvest in stock.

68.38 The Strategic Director outlined the main service pressures and the proposed savings as presented in the report. Members discussed potential changes to the housing subsidy system that may affect the proposals.

68.39 Chris Todd was disappointed that the implications sections of the reports did not reflect well the potential impacts of the proposals, not least because many of them eg the sustainability of investing in warmer homes, would be very positive and 'good news' stories.

68.40 The Strategic Director answered a question on reducing Housing Management and Maintenance costs which had been high compared with other local authorities. He said keeping costs down was especially important with regard to the Local Delivery Vehicle. The Commission heard that significant savings were planned in particular through the Customer Access Review which included co-location of services and better use of office space.

68.41 The Chairman of ASCHOSC Councillor Anne Meadows asked about the potential impact on tenants of the proposed changes to fees and service charges. The Strategic Director Place said that there were cost pressures but savings for tenants such as reduced gas costs had also

been identified and the costs would be covered by Housing Benefits. Councillor Meadows was concerned for vulnerable tenants who were locked into charges that they could not meet.

68.42 The Director of Finance pointed out that the risks from changes to housing benefit regime were different for council tenants compared with the private rented sector, due to the lower levels of rent.

Cabinet Agenda Item 167; Housing revenue account budget Capital Programme 2011 – 2014

68.43 The Strategic Director Geoff Raw introduced the report on the 2011/2012 capital programme and provisional programme for the following two years. This provided for investment of around £30million, reducing to £23million and £18million in the following two years, on the priorities as set out in the report. The Year 1 programme relied on the Decent Homes target being met through capital receipts from leasing of properties to the Local Delivery Vehicle from 2011-2012.

68.44 In answer to a question on expenditure on lifts, the meeting heard that the proposed three year expenditure followed a survey of lifts identifying replacement and maintenance needs and was the start of a longer term capital programme currently being procured.

Conclusion

Conclusion

68.45 A number of members were concerned at the lack of time available to scrutinise the proposals meaningfully. It was agreed that the Chairman would write on behalf of scrutiny to ask the Leader of the Council to make representations to Government on the lateness of certain funding announcements.

68.46 In summary, the Chairman said that the comments and concerns would be forwarded to budget Council. She thanked the Cabinet Members and the officers for speaking to OSC

68.47 RESOLVED

- 1) That the draft minutes be forwarded to budget Council as the Overview and Scrutiny Commission's response to the budget proposals.
- 2) That the Chairman write to the Leader of the Council on behalf of scrutiny as minuted at 68.45 above.

The meeting concluded at 6.00pm

Signed

Chair

Dated this

day of