

BRIGHTON & HOVE CITY COUNCIL
SCRUTINY PANEL ON THE BUDGET PROPOSALS

3.00pm 2 DECEMBER 2011

COMMITTEE ROOM 3, HOVE TOWN HALL

MINUTES

Present: Councillor K Norman (Chair)

Also in attendance: Councillor Mears, Mitchell, Pissaridou, Summers and Sykes. Joanna Martindale (CVSF Co-optee)

Other Members present: Councillors J Kitcat, West

PART ONE

1. PROCEDURAL BUSINESS

1.1 Election of Chair

Cllr Ken Norman was unanimously elected Chair of the Panel

1.2 Declarations of Interest

There were none

1.3 Declaration of party whip

There were none

1.4 Exclusion of Press and Public

As per the agenda

2. CHAIR'S COMMUNICATIONS

3. DRAFT WORK PLAN

3.1 Members noted the draft work plan. Cabinet Member Councillor Liz Wakefield was due to speak to a future Panel meeting and the date would be confirmed.

4. WITNESSES

4.1 Cllr Jason Kitcat, CM for Financial and Central Services (JK), and Catherine Vaughan, Director of Finance (CV) introduced the draft budget and took questions. (as did Mark Ireland, Head of Strategic Finance and Procurement: MI)

4.2 JK told panel members that this was the first time that the council had prepared a two year budget, and the first time that draft budget papers had been ready for early December. The draft budget had been developed via a 'star chamber' process with council departments, and there had been on-going consultation with unions, the local community and voluntary sector, the City Assembly and members of the public. Scrutiny comments were welcomed.

4.3 JK set out the three underlying principles to the budget:

Protecting services for children and young people
Efficient use of public money
Promoting partnership working

4.4 In addition, particular care had been taken to protect services to carers, ASC services, youth services, staff terms and conditions (including the introduction of a Living Wage), homelessness grants, the Supporting People programme, the Community Grants programme and the council's commitments to sustainability. Given reduced central Government funding, this necessitated efficiencies and changes being made across all areas of the council's work.

4.5 JK and CV answered members' questions. JM asked how replies from consultation events around the City were being dealt with; would they be reported?

a) MM: equal pay reserves?

CV: reserves for single status will be reviewed – currently the position is the same as was reported to Audit Committee Sep 11

b) MM: redundancy reserves?

CV: 3.5M was set aside for 11/12, of which approx 500K remains. There are still some outstanding issues, as not all staff who indicated a willingness to take voluntary redundancy have yet completed the process. This will therefore need to be reviewed before the final Feb 12 Cabinet decisions. Currently the draft budget proposes allotting an additional 700K to these reserves for 12/13.

c) MM: ongoing savings from previous (11/12) budget from recharges?

CV: any savings would already have been included.

d) MM: Seaside Towns funding?

CV: most has been allocated, but not necessarily spent. The draft budget makes no proposals to re-allocate this funding, so the current spending plan still stands.

e) MM: number of vacant posts?

CV: this is not easy to assess, as it is complicated by the ongoing voluntary severance scheme – in some instances it has been decided to retain a post made vacant by voluntary redundancy, and to make savings by deleting the former post of successful applicants to the vacant post. Until this process has been completed it will therefore not be possible to give a firm figure for vacancies. However we will do some analysis to help scrutiny understand the position.

f) MM: new homes bonus?

CV: provisional announcement now made of 425K is slightly higher than expectations, not currently built into budget assumptions

g) GM: have all planned 11/12 savings been made?

JK: TBM forecasts an overall underspend, but not all departments have reached their targets (e.g. in terms of voluntary redundancies).

CV: it has not been possible to make some 11/12 savings (e.g. carbon reduction and procurement), and these are included as separate costs in the budget papers. There is still ongoing work on some admin and management savings, but all are achievable, bar some savings for the Children's Delivery Unit which have been factored into the budget report.

h) MM: are these risks specifically addressed?

CV: yes, via TBM7 report – and the need to fund these pressures is factored into the budget report.

i) GM: has CYP made required savings?

JK: yes, and has in fact achieved more than required.

CV: Cabinet decided not to implement some 11/12 savings (e.g. closure of Brightstart) and these are included as separate costs in the budget papers.

k) OS: how has public consultation affected budget planning?

JK: a number of respondents were clear that they wanted the council to make decisions re specific planning – too complex an issue for non-experts. However, responses make it clear that public wants to see front-line people-centric services prioritised, and this has been reflected in the budget plans. We may see more specific views expressed now that people have a draft budget to interrogate – consultation is still ongoing and the council will respond to public concerns.

l) OS: how are demographic pressures calculated?

MI: this is a best estimate based on past trends, but will be revised in the light of emerging data.

CV: Successful implementation of the council's VfM plans should mitigate against the impact of demographic pressures – the budget pressures to an extent for 2013/2014 assume a scenario where mitigation has not been wholly successful. The budget does provide more detail of this for 12/13, but this has not yet been factored fully into 13/14 planning.

m) CS: how were savings per department calculated?

JK: each department asked to model 5, 10 and 15% savings across 2 years. Decisions were then taken so as to allocate savings in the least damaging way across organisation.

n) GM: capital investment re schools?

CV: education capital budget sits in People section of budget, but information is not currently available to produce a full capital report. There are significant pressures re capital receipts, and there will need to be re-profiling if some expected receipts are not realised – however this is particularly a timing issue.

o) JM: what is planned % spend on voluntary sector?

CV: can get panel an approximation, although it may be very difficult to get an accurate figure as the financial system does not record information in this way, and BHCC may not be able to collate data using CVSF's preferred definition (i.e. orgs with charitable status). However, does not believe that sector has been disproportionately impacted. Will do some analysis to help inform scrutiny.

p) KN: commitment to protecting services for vulnerable people?

JK: yes, although cannot guarantee to protect all current services given size of financial challenge – i.e. 35M over two years. BHCC has actively looked at increasing income as well as making savings.

q) AP: how many posts to be reduced in 12/13?

JK: 100-120 in 12/13 plus approx 30 outstanding from this year's challenge.

4.6 The panel next heard from Cllr Pete West, CM for Environment and Sustainability (PW), and from Gillian Marston, Head of City Infrastructure (GMa) and Geoff Raw, Strategic Director, Place (GR).

4.7 PW told the panel that this had been a very challenging process. Priorities included:

Minimising impact on workforce

Introducing a food waste pilot

Making parks more sustainable

Investing in infrastructure (e.g. street lighting)

4.8 The need to make savings had resulted in plans to reduce the number of public toilets in the city – city has many and not all are well-used. PW recognises that this is a contentious issue and welcomes public ideas on this (although it has to be recognised that identified savings will have to be made somewhere).

a) GM: have additional costs (vandalism) been factored in re plans to have some unattended toilets?

PW: yes.

b) GM: cityclean savings: how many rounds will be taken out of refuse collection?

GMa: 4 rounds (1 refuse, 3 recycling) – will require re-organisation across city – the number of rounds could change as the work is mapped out. No redundancies planned.

c) GM: commitment to continue weekly collections?

PW: yes, committed to maintaining weekly collections for 12/13. Plans for future years will depend on success of food waste pilot.

d) GM: less reliance on agency staff re cityclean?

GMa: yes, costs can be reduced here, although it is necessary to provide cover for sickness and leave.

e) GM: street cleaning reductions?

GMa: yes, but haven't reduced for several years, and confident that staff levels can be reduced without significant impact upon services.

f) GM: street lighting – is condition of posts still a problem and will maintenance continue to be outsourced?

PW: need to address long term neglect of this infrastructure – will look at capital investment here.

GMa: current maintenance contract still has approximately 2 years to run.

g) CS: how was toilet use assessed (esp. for parks)?

PW: there's no measure of volume of use as such, we rely on managers' experience. Have tried to plan closures to minimise impact – e.g. by signposting availability of toilets in nearby BHCC buildings (i.e. proximity of Hove Town Hall will allow week day closure of Norton Rd toilets).

h) JM: has BHCC explored possibility of encouraging 'friends of' groups etc to get involved in toilet provision in parks?

GMa: this isn't an easy community participation activity to sell. The council already tries to think innovatively about park toilets – e.g. encouraging firms leasing park cafes to take on toilet maintenance.

i) MM: what saving will be achieved here?

GMa: estimate 163K

j) AP: planned cuts to coast protection – how will this impact on costs to BHCC and local residents of flood insurance?

GR: although listed in the budget as coast protection, most savings will be made by reducing maintenance of seaside railings, street furniture etc rather than actual coastal defences. Will pick up on potential for additional insurance costs to BHCC.

PW: no intention to increase flood risk: savings will be carefully targeted.

l) AP: allotments – will cuts impact upon poorer people?

PW: concessions will remain; increased costs will reflect actual cost of provision rather than being subsidised.

m) AP: City in Bloom?

PW: would like to encourage more business funding here. Unfortunately, hard choices need to be made, and budget does a good job of protecting parks funding.

JK: auctioning mayoral number plate will raise funds for community groups – this could potentially include City in Bloom.

n) OS: reduced waste PFI costs?

PW: less waste being produced has led to lower costs and high energy prices have meant that electricity generated at Newhaven has brought in additional income.

MI: electricity generation income has always been factored into the contract, but BHCC's calculation of this has differed from Viola's. However, recent legal advice supports the council's model for this calculation.

o) AP: possible impact on tourism as a result of cuts in city cleaning?

GMA: we do monitor this closely. There has not been reductions in street cleansing following the introduction of wheelie bins and communal bins and these help and should mean less of an impact..

PW: public have to recognise their responsibility here: if people didn't drop litter there would be less need for street cleaning.

p) Thurstan Crockett, head of Sustainability: welcomes additional funding for sustainability – will be used to replace time-limited grants funding. Focus will be on embedding sustainability in BHCC and the city as a whole.

5. ANY OTHER BUSINESS

5.1 The next meeting is on Monday 5th December at 2pm in HTH

The meeting concluded at 5.00pm

Signed

Chair

Dated this

day of