

**AUDIT & STANDARDS
COMMITTEE**

Agenda Item 10

Brighton & Hove City Council

Subject: Governance of Value for Money Phase 4
Date of Meeting: 24 June 2014
Report of: Head of Law
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Wards Affected: All

FOR GENERAL RELEASE

Action Required of the Audit & Standards Committee:

To receive the item referred from the Policy & Resources Committee for information:

Recommendation:

That the report be noted.

POLICY & RESOURCES COMMITTEE

**4.00 pm 12 JUNE 2014
COUNCIL CHAMBER, HOVE TOWN HALL**

DRAFT MINUTES

Present: Councillor J Kitcat (Chair) Councillors Sykes (Deputy Chair), G Theobald (Opposition Spokesperson), Morgan (Group Spokesperson), Lepper, A Norman, Peltzer Dunn, Pissaridou, Randall and Shanks.

PART ONE

8. GOVERNANCE OF VALUE FOR MONEY PHASE 4

- 8.1 The Committee considered a report of the Executive Director for Finance & Resources in relation to Governance of Value for Money Phase 4. The report set out the proposals for the next phase of the Council's Value for Money approach, Phase 4, together with arrangements for oversight for effective governance of the programme. This was TO ensure the aims of the programme were clear and the arrangements for the oversight were robust and appropriate to the scale of the challenge. The Value for Money programme was a key component of the delivering the Council's Corporate Plan Priority

of Modernising the Council. It was also a crucial building block for the Council's budget planning for 2015/16 and its Medium Term Financial Strategy.

- 8.2 Councillor Sykes referenced the enormity of the challenge for the Council stating that the budget would reduce by £90M in the next 5 years, and last year the value for money programme had delivered £9.4M of savings. The report referenced the need for strength in central services to monitor and push this process, and there would be an expanded group of elected Members involved to oversee it.
- 8.3 Councillor A. Norman thanked Officers for the work to support this report, and noted that EY had confirmed the view of her Group that there were bigger savings to be made through value for money in the organisation. She added that this was contrary to the view of both the Green and Labour Groups that there were no more significant efficiency savings to be made and it was necessary to raise Council Tax. Councillor A. Norman went on to add that she had believed there was more scope for procurement based savings and she welcomed more work around debt recovery.
- 8.4 In response to specific questions from Councillor A. Norman the Executive Director for Finance & Resources explained that the Council was following to advice from EY and giving a clear and consistent message that that all staff had to play a part in contributing and owning the changes, and this would be a challenge for Senior Officers and Members. It was added that EY had been aware of some of the politically different views, and felt it was important there was political consensus around value for money.
- 8.5 The Executive Director went on to add that in relation to the modernisation of adult social care there was discussion around the opportunity for a local authority trading company, and much greater savings had been identified across health and social care. The report listed later in the agenda discussed the local authority trading company, and made a judgement around the scale of change, and the focusing of resources into the statutory requirements of the Care Bill and the Better Care Fund.
- 8.6 In response to Councillor G. Theobald the Executive Director for Finance & Resources explained that EY had reported back on the progression of the Worksyles programme in terms of its delivery within time and on budget. There had been challenge on whether the physical changes to buildings needed to be accompanied by greater consideration and change of how staff worked. It was also noted that other local authorities had invested much greater sums in terms of technology.
- 8.7 The Chair noted the budgetary challenge for the next financial year; the organisation would need to be very clear around this, and it was hoped the value for programme would deliver. The Chair then put the recommendation to the vote.
- 8.8 **RESOLVED:**
- 1) That the committee note the scope and savings opportunities identified for phase 4 of the council's Value for Money programme.
 - 2) That the committee approve the cross-party member oversight arrangements for the programme as set out in paragraph **Error! Reference source not found.**

- 3) That the committee note the minimum one-off resources of £1.450m anticipated to be required to achieve success and the further work required to quantify additional resources for key enabling projects.
- 4) That together with £0.350m already approved for 2014/15, the committee agree:
 - a) the early drawdown of the 2015/16 Modernisation Fund (£0.700m) to support the programme in 2014/15;
 - b) the set aside of £0.400m of the 2013/14 revenue budget underspend to support the programme in 2014/15, and;
 - c) to set aside the remaining £1.624m resources from 2013/14 to support the programme in 2015/16.
- (5) To agree additional recurrent investment of £0.300m in the council's procurement capacity as set out in paragraph **Error! Reference source not found.** and appendix 1.