

BRIGHTON & HOVE CITY COUNCIL
SCRUTINY PANEL - BUDGET 2013/2014
11.00am 8 JANUARY 2013
COUNCIL CHAMBER, HOVE TOWN HALL
MINUTES

Present: Councillor K Norman (Chair)

Also in attendance: Councillor Deane, Fitch, Pissaridou, Sykes and Wealls

Other Members present: Co-optees Julia Chanteray and Chris Todd

PART ONE

13. PROCEDURAL BUSINESS

Declaration of Substitutes - Chris Todd was subbing for Joanna Martindale

Declaration of Interest - Chris Todd is Chair of the City Sustainability Partnership

Party Whip - None

Exclusion of Press and Public - As per the agenda

14. CHAIR'S COMMUNICATIONS

Councillor Ken Norman, chairing the panel introduced the meeting; this was the fourth of five public budget scrutiny meetings. The panel would hear firstly from Councillor Pete West and accompanying officers about Environment and Sustainability, and secondly from Councillor Geoffrey Bowden and officers about Economic Development and Culture.

15. NEXT MEETING

The fifth and final meeting would be on 9 January 2013.

16. ENVIRONMENT & SUSTAINABILITY

Councillor Pete West, Lead Councillor for Environment & Sustainability (E&S) introduced the budget proposals:

- Thanks to budgetary management and officers' efforts, they have managed to find a manageable way forward for 2013-14.
- They are increasing efficiency whilst protecting services for vulnerable people
- E&S are key areas for the administration; services include refuse and recycling, green spaces, food safety, public safety etc which affect everyone
- In the public budget consultation, three out of five of the top priority areas for public were E&S issues – refuse/ recycling; parks; public safety
- Key priorities are to run services sustainably and to reduce adverse carbon impact
- Considerable savings have been made in the past and services are heavily stretched; the savings proposed today are limited
- On p117 of the budget papers – E&S are working with cricket clubs to reduce service costs to the council
- Sustainable planting will be rolled out to all parks with the Floral Clock and Old Steine as exceptions
- There has been a saving in the Waste PFI due to a reduction in the amount of waste that households are creating; this leads to a reduction in disposal cost
- A vacant post in the Health and Safety Team has been removed
- Trading Standards telephone advice line will be moved to a web based advice service
- Priorities will be set out in the revised corporate plan – looking to improve waste minimisation and recycling rates
- Have won Govt funding to roll out communal recycling in the city centre (in pilot scheme, rates increased by 70%)
- Improve working with South Downs National Park Authority to make the most of the links between B&H and the National Park
- Continue to champion parks and open spaces
- Its important to invest more in sustainability
- One Planet Living provides an important framework, informing policy and decision making in BHCC, e.g. savings made in energy and water use in the Brighton Centre, reducing the carbon footprint and water use
- 4% target in carbon saving reduction; rising fuel costs mean that carbon reduction gives financial as well as E&S benefits
- LED light fittings for street lights being rolled out

Geoff Raw, Strategic Director and senior responsible officer for E&S:

- This is a very important service area; it touches everyone in the city. Also central to the political agenda
- In terms of budget setting, keen to have focus on benchmarking – this is going forward
- This is part of an ongoing process- this is the 2013-14 budget but mindful of future years where there is likely to be a greater reliance on self financing
- The corporate plan and service strategy plan is being revised; changes have been made to the top of the service, this is likely to move down service lines

James Hengeveld, Head of Finance:

- This is the second year of a two year strategy; savings were heavily weighted towards 2012-13 so less savings can be seen in the 2013-14 budget proposals.
- Benchmarking is key element of the budget process, but is also used year round as a way of understanding and comparing council services.

Questions and comments

- E&S has a huge budget; these are relatively minor savings – what are the plans for the future? *Benchmarking will continue to show how the council compares; looking at VfM, overhead costs, management structure, staffing costs etc*

Cityclean/ Cityparks always plan ahead for budget pressures; e.g. £85K savings have been covered by 12 month vacancy management programme. The services would have to stop some of their provision in order to save more money, e.g. paper going to committee about potential closure of some bowling greens. Changes need time to take effect, e.g. planning how to reduce/ close a service

Cityparks are also managing service pressures such as a loss of income from schools

- The reduction in Cityparks staff has had a negative impact on estates grounds work. Used to employ temporary staff to cover seasonal work but no longer the case. The more that the service contracts in size, the more impact it will have on employees. *Work for Housing is tightly managed by tenants and by housing staff, it is subject to a separate contract that is not part of the budget reductions published.*
- What about work with schools? *Cityparks has lost schools maintenance contracts; this means increased budget pressures, which are managed through vacancy management. Schools can choose to opt in/ out of a maintenance contract individually. Some are opting for smaller businesses, often individuals who have significantly fewer overhead costs (unlike the BHCC which included pension/ H&S costs etc). It means that the council costs are higher. Schools are facing their own budget pressures and are having to prioritise where they choose to spend their money*
Cityparks have met with schools to promote the services provided but cannot subsidise school's maintenance costs at the expense of other maintenance services to parks for example. We know that BHCC was competitive when they could bid for a contract for all of the schools and could deliver a good service.

Its part of a larger picture looking at how the council operates, some councils now have 'trading arms'. BHCC is looking into this – want BHCC to be in the best possible shape to compete and adapt

- The discussion regarding small local businesses taking on work for schools has an overly negative slant that is anti-local business. Should the council not be looking to support small businesses, seeing them as part of a thriving local economy? *Comments were intended to show how school governance and budget impacts across all of public services had impacted upon the council services, rather than commenting upon business practice.*
- Should BHCC give up competing with SMEs or if not, BHCC should change the way it delivers services to be more competitive. The outcome would be better for schools, the council and the city.
- How else is money saved in Cityparks? *Sustainable planting is going to save costs for BHCC both in terms of plants and staff costs. Customer satisfaction for park use is high (87%?). There are 12 vacancies not being filled (out of a total of 153). Reviewing*

bowling green provision. Cityparks has been subject to competitive tendering for decades and has low management costs.

- There is very little evidence of the Olympic legacy in B&H, obesity is a huge cost. Bowling, which is under threat, is a great social network especially for older people who may have most other support. Where is the Equality Impact Assessment? *The panel looked at some of the public health issues at an earlier panel. The Shadow Health and Wellbeing Board would be looking at a lot of public health information. There are strong links between public health and BHCC priorities and policies.*

How has there been a saving in the Waste PFI contract? Are we creating less waste as a total, even with an increase in household numbers? *There are more households but still less waste created as a total. This has been going on for a number of years and is not exclusive to B&H. There was money set aside for risk provision in PFI, have been able to release some of this money which relates to waste growth and around discussions around the share of the electricity income produced by the incinerator; the waste is combined with waste from East Sussex and income from electricity generated is shared between the authorities above a certain price level. If electricity prices go up, BHCC and ESCC benefit*

- The incinerator recovers 4000 tonnes of steel annually, is this money shared with BHCC? *BHCC gets a share of all recycling income but unsure whether the steel income is shared – this will be checked. The contract is very specific*
- How is the PFI contract scrutinised? *It was heavily scrutinised at the outset through various committees.*
- How are savings allocated across E&S? *There was a two year budget setting process across the council where all depts were asked to find 5%/10%/15% savings; then political choices need to be made about where savings are to be made. It's about thinking cross-departmentally.*
- How can the 4% carbon reduction be managed? *One of the key focus areas for 2013-14. Can be achieved through management of water (which costs approx £1 million annually) – installing automatic water metering would allow BHCC to identify leaks etc. Workstyles programme will help – more efficient use of buildings will help reduce carbon use. Also, targeting most energy inefficient buildings will help. It's about behaviour change; can implement programmes but its down to people's behaviour.*
- We need to reduce the fines we pay for carbon production; the easiest way would be to have less office space. How is the office space managed – what are the projections for future use? *Workstyles falls under a different directorate so doesn't have that many details but is aware that there are active moves to reduce office space and think more smartly around how space is used. However buildings don't always lend themselves easily to Workstyles programme, it's not just a case of moving people out of a room and making savings.*
- On p 149 (appendix 6), it lists some council buildings that have 2% carbon reduction target rather than 4%, how is this possible? *Think that not all of the council's operations are subject to carbon targets but not sure – we will check and report back.*

- What are the plans for Stanmer Nursery? Could it perhaps be promoted as a shopping venue to help with revenue generation? Could the land be leased? *There is a space at Stanmer now that the sustainable planting policy has been implemented. There are proposals to look at wild flower growth and selling, it would be good for bio diversity. Cityparks is working with Kew Gardens and the South Downs National Park. A business plan is being developed*

In relation to a question about leaseholders in Stanmer Nurseries - there are ongoing lease negotiations. A new masterplan is being drawn up for Stanmer Park which will cover the nursery; this has been developed over the last year. The National Park is a key player in the masterplan. Any agreements made now will not jeopardise future plans for the area.

- The tourism offering for the city is very important; it tends to focus on the seafront but it should include more mention of the National Park – is this in the masterplan? *Ecotourism will be covered in other plans,. It's hoped that this might attract a different type of tourist or those who might stay for longer.*

17. ECONOMIC DEVELOPMENT AND CULTURE

Councillor Geoffrey Bowden, Lead Member for Economic Development & Culture (EDC), introduced the topic and answered questions and comments from the panel.

Geoff Raw, Strategic Director, Place, said that the coalition Government had a 'challenge funding' approach, meaning that it was more important than ever to respond to opportunities which may bring in more funding.

Paula Murray, Commissioner for Culture, said that budget areas in EDC are largely non statutory (all except for libraries) – but the impact of even a small amount of funding is huge, in terms of partnership and in terms of leveraging in other funding sources. She outlined three key elements of the budget strategy going forward to 2013-14:

- **Developing new ways of working** – two examples being; the joint catering plans for the Royal Pavilion and Museums and the Brighton Dome and Festival and the re-visioning and re-provision of the Visitor Information service
- **Increasing income** – two examples being further marketing and leasing of seafront sites and increasing income from the Royal Pavilion fees increases (charges as agreed at Economic Development and Culture Committee November 2012)
- **Supporting other services** to make savings or improve quality – two examples being the role of sports and leisure in delivering Health outcomes and the role of Libraries as community hubs.

Questions/ Comments

- There is a fine line between managing fees and affecting visitor numbers, how is this balanced? *Services consider the effect of fee increases on sales but have usually been able to deliver income growth over and above increasing fees by developing and improving the visitor experience through for example continuously changing exhibitions at the museums service.*

What's happening with the Visitor Information Centre (VIC)? *Budget proposals will result in the closure of the current VIC, however a review of visitor services for the city will follow to the March Economic Development & Culture Committee. Patterns of how people access visitor information has changed dramatically over the last decade with tools such as the website and apps reaching many more visitors than traditional visitor information. Additionally many VisitBrighton Partners can support Information Delivery by acting as information portals for visitors. A current example of this is the Toy & Model Museum. Officers will also explore how transactional services at the current VIC can be incorporated into the Brighton Centre box office. The current location of the VIC will be developed as part of the new catering arrangements for the Royal Pavilion.*

- How have budget savings been allocated/ calculated? *Services contained within Tourism & Leisure have taken out about 45% of budget over the last 3 years so have achieved a great deal already. Many of the current proposals rely on increased income but officers are confident that despite the economic conditions knowledge about future bookings gives confidence in the income targets being achieved.*

Is it possible to quantify the effect that BHCC efforts have had on tourism? *There are economic impact models that show the value and employment created by tourism activity. These are all available on the visitbrighton website.*

- Accepts the point about indirect staff inputs to aid tourism/ business e.g. parks, highways, cleansing etc – can we agree that those must be priorities for BHCC to help economic growth? Broad agreement from Members attending.
- How close are the links between the Chamber of Commerce and BHCC? JC – there are a lot of links, she wouldn't criticise BHCC for this.
- How will EDC team work with the new Regeneration Team to ensure best outcomes for the city? *The City Regeneration Unit was established last month and brings together a number of teams including sustainability, Economic Dev, Estate Dev, joining up to make the most of the benefits of regeneration funding. For every £1 invested in housing regeneration, £3 worth of benefit is recouped. The team is looking at how to have the best effect on local supply chains and local businesses.*

BHCC is working with neighbouring authorities on City Deal, housing and also working with the Local Economic Partnership. You can't overestimate the council's role in the growth of the local economy, as well as working in partnership. In 2015 a new match funding approach will require all partners to pool their resources.

- How do you measure the outcome/ value of an Economic Dev team? *It's a similar picture to measuring the output from Tourism. In terms of income, over 2012 the ED team brought in £1.163 million investment themselves and helped to bring in other bids. In a wider role it facilitates and works in partnership with business networks on a number of pilot schemes, support for businesses, e.g. through the Brighton for Business website*

The research arm of the team tracks what is happening locally in the economy and compares that with other regions to help develop solutions to problems. They also

consult with different sectors, work in partnership with businesses etc. It is very hard to secure external funding if you can't give an accurate picture of your current economic position and as such the work of this team is vitally important.

- *Would the ED team ever be outsourced to be embedded in the business community? There is the issue of democratic control to be considered, as well as the danger of ensuring a level playing field for all businesses. There would be a constraint on outsourcing as you often need an accountable body for Government funding, so this would tend to suggest the local authority. However consideration as to the best manner in which to deliver economic development support for the city is a conversation worth having.*
- *Will there be more funding for the Ride the Wave programme for businesses, this was very successful but as organisers were not able to charge for attendance, it was unsustainable? BHCC would like to re-run the programme but the funding from external sources is no longer available so it may be on a smaller scale.*
- *What is being done to encourage older people's participation in sport? Cllr Bowden is on the Older People's Council to build links, bidding is underway for WHO Age friendly city status – this would need a lot of work in the city. Also the Take Part festival is growing, more people are trying out sports*

Healthwalks are also getting more popular- 2-3000 people annually take part.

- *What is the rationale for the concession card? This will give concessions of 40% for those on a range of qualifying benefits to use sports facilities. The scheme is achievable whilst keeping the other fee increases, that pay for it, to prices that are either on or below the regional average for these activities. The health outcomes of taking part in sports is well documented so would like to increase it. The concession card's effectiveness will be monitored to see if it increases involvement.*
- *Agreement with the concept of the concession card but concern over the increase in fees re young people to cover it - why have some fees been increased by 10% (above inflation) eg the all weather pitches? A lot of youth groups use the pitches, this is unfair on them, has an equality impact assessment been carried out? There is still a small grants programme which can help clubs with a small amount of money (£500 or so) can make a huge difference.*
- *What efforts are made across departments to ensure that cuts in one services do not negatively impact upon the aims of another, the obvious example being sport/leisure and public health re obesity?*

The JSNA has been used as the basis of the draft sports strategy and we are working closely with health commissioners. All prices have been kept aligned to, or below, the regional average prices for the same facilities.

Can the council send small grants information to youth teams to help them offset the price increase? Agreed

- What about externally organised events? *BHCC encourages events to come to the city, e.g. the marathon. It acts as a spur to take part and also boosts the economy at otherwise quiet times of the year. The marathon season is carefully timetabled so need to fit events in that work well with other marathons and half marathons nationally and internationally. It's a challenge for all cities to have a balanced pattern of events and business year round.*

There is a cross party bid to host some of the Rugby World cup events in the city.

The events team is very small and manages approx 400 events per year. We should pay tribute to them as they lead to a huge boost for the city.

- What are the plans for dance in the city? Will there be a studio/ rehearsal space at Circus St? *Yes there's currently a lack of dance and rehearsal space in the city, the council supports the new plans. Dance is very popular in B&H, especially helping young women who might otherwise not take part in sport. The National Dance Agency is based in Brighton; Circus St will become its base. The Circus St application will go to Planning Committee in May 2013, then will take 2-3 years to complete. Circus St site is central, and also backs onto Turner estate, so hope to involve Turner residents once its built.*
- Do planners help regeneration or put barriers in the way? *Planners are necessary to help keep the system moving and they do a good job-. Its absolutely vital that Planning supports the economy and the regeneration agenda, and work to secure planning permission in a timely fashion.*

BHCC has the lowest cost per planning officer in South England, and lower costs for residential planning applications. Costs are on average over £812 in the South East (more for unitary authorities), but BHCC costs £456.

The meeting concluded at 2.00pm

Signed

Chair

Dated this

day of