

BRIGHTON & HOVE CITY COUNCIL

OLDER PEOPLE'S COUNCIL

10.15am 16 DECEMBER 2014

ROOM 122, KING'S HOUSE

MINUTES

Present: Mike Bojczuk (Chair), Colin Vincent, Jack Hazelgrove, Val Brown, John Eyles and Harry Steer

Co-opted Members: Penny Morley, Janet Wakeling and Sue Howley

Others Present:

PART ONE

50 PROCEDURAL BUSINESS

Apologies from Francis Tonks and Marion Couldery.

51 MINUTES

The minutes were agreed.

Matters arising:

Paragraph 44.4 Harry confirmed that the Carer's Centre had taken up the offer of using the vehicles and volunteer drivers.

Paragraph 47.3 Colin will circulate the minutes from the Transport Partnership.

Paragraph 47.8 Val withdrew her interest in Latest TV.

52 BUDGET

Presentation by James Hengeveld, Head of Finance (see attached)

The council's budget is £778.1m with the largest spending on schools and education (£169.1m). Housing benefit is £167.2m and the council acts as an agent of the Government. Adult Social Care (ASC) is the third largest (£111.4m) and has the least grants. Children services and ASC are the biggest areas in the budget that the council has any influence over.

Once ring-fenced funds are taken out of the equation (Dedicated Schools Grant, Pupil Premium and 6th Form funding) and housing benefit and Housing Revenue Account that leaves £381m spend in the General Fund - this is the part the council has influence over.

The largest income for the council comes from fees and charges across all council services (from parking to care costs) - £112m. The Revenue Support Grant is £63m but this has been reducing drastically over the years and is under the greatest pressure from central Government.

The budget gap is growing from £26m in 2014/15 to £102m in 2019/20. With increasing cost and demand for services with government funding reductions the forecast budget over 5 years is around £102.4m gap with a 0% council tax rise or nearly £92.5m with a 2% annual increase.

The local authority settlement is not yet known but due soon – we may not know the true position until the middle of January 2015.

The Policy and Resources report contains the referendum budget but also a substitute budget in case the referendum budget was not agreed.

Council Tax Reduction (CTR) has been increased from 8.5% to 15% which means people pay 15% of their council tax before any savings or discounts are given.

If all the budget savings are taken by Full Council, there is still a £2,87m budget gap.

The number of grants from central Government has plummeted under the Coalition Government.

There are capital investment challenges with investment required in housing education, regeneration and transport. The seafront infrastructure needs huge investment but the funding needs to be identified. The income from the i360 is ringfenced for the seafront but that will be insufficient. We also need to make the council fitter and leaner in order to transform council services so funding is need for work styles and investment in ICT. Appropriate housing for adults and children's social care clients is also a challenge.

There is ongoing reduction in funding for the Council Tax Reduction scheme which includes protection for pensioners but disproportionately affects those of working age. If we followed the Government's advice, there would be no reduction for anyone in 3 years time. Local welfare funding has been cut (£600,000). In addition there is the pressure of local housing costs.

In Better Care grants, the announcements are often re-announcements. The new Care Act brings new responsibilities and assessment requirements but there is no sign of additional funding.

The amount of students in the city is an ongoing issue as they are exempt from council tax. There are also a high number of single people – 40% of households get a discount.

The Chair thanked James Hengeveld for an interesting and informative session. He then asked Richard Butcher Tuset, Head of Policy & Communities to talk about the removal of the scrutiny function.

Richard Butcher Tuset, Head of Policy & Communities

All teams have to play a part in identifying savings. The Administration's draft budget reduces the equalities work, the discretionary grants for the third sector and the investment package for support for the third sector. The Mayor's office and function are being deleted and the Overview and Scrutiny team are also being deleted, including the funding for the OPC elections. The total savings are around £0.5m.

Richard offered to start discussions with the OPC and Denise D'Souza, Director of Adult Services on the way forward in working with older people.

Chair – the costs of the OPC are overstated and presume a full election in all 9 areas which is unlikely. However, they will look at how to mitigate the savings proposals and postpone the elections.

Penny Morley – the Age Friendly Steering Group is not funded by the CCG but was started by Pensioner Action and then Age UK. The Older Peoples' Forums are yet to be established, the LATs have lost credibility and are not concerned with the older person's voice. The EIA notes that the impact will be a loss of representation and this is a major concern: the plans do not make sense.

Richard Butcher Tuset – there is not enough money so we must change the way we do things. We still want to hear older people's views and we need to work to resolve this together. It is up to Members to take these savings – but if they choose not to, the savings will have to be taken somewhere else.

Denise D'Souza, Executive Director, Adult Services - we will work together with you in some other fora to hear older people's voices. Adult Social Care engage with a range of people and we need to look at it all and see what makes sense. There is still some funding for support in the budget: the election model is being removed.

Jess Sumner – the key is to look at how we work together and find the most useful process or conversation to have?

Richard Butcher Tuset – we can set up a further meeting with OPC officers to create a plan of engagement.

Harry Steer – it is very sad to see the elections going. The OPC initially was a Government initiative based on a model in Scandinavia and the abolition of the elections is a retrograde step. The proposals for the depletion of the Mayoralty are terrible. The impact of the Mayor in attracting businesses and conferences is immense.

Richard Butcher Tuset – the Mayor remains and will Chair Full Council and attend 10-20 events a year. It is a deletion of the Mayoral support: there will be no office manager, no Mace Bearer and no chauffeur.

Janet Wakeling – agreed with Harry. The city is proud of the Mayor.

Chair - there is a requirement for Health Scrutiny and in addition there will be new Councillors in May 2015 who will require support. The Scrutiny team have been supporting Councillors as well as working with outside bodies.

Richard Butcher Tuset – the work of the Scrutiny Team has been fantastic and applauded nationally several times. The Scrutiny Team was enhanced under the previous Cabinet system where backbench Councillors could play their part through the Scrutiny function. Now we are back to a Committee system, there is inbuilt Scrutiny. There is some resource in what's left of the Policy Team to support the statutory duties in health, crime and disorder and flooding.

Penny Morley – the OPC has been well supported by the Scrutiny Team. Older People will need support to engage meaningfully in consultations.

Harry Steer – many Committees have an inbuilt majority and Scrutiny allows the opposition Councillors to call the Administration to account in different ways.

Richard Butcher Tuset – the plan is to have one Scrutiny Committee and possibly one Scrutiny Panel a year.

Denise D'Souza, Executive Director, Adult Services

The council spends £111.4m on Adult Social Care and this year there was an overspend of £4m – an increase on last year. The new Care Act brings the biggest changes since 1948 but there is no clarity on funding. The Better Care Fund is about more integration and the need to make sure acute services are working well – but it is not new money. An additional £9m has to be found in the acute services – we need to reduce A&E attendance and have less people in residential care. We are looking at new residential options for older people – these costs need to be reduced to redirect people into the community. The Acute Trust is in dire straits – the system in the city is very stretched. We need to get people out of hospital quickly and into care and then end up paying whatever we have to.

Brian Doughty, Head of Adults Assessment - the community care budget is the largest part of the budget and is used to provide services for adult social care, eg care services, equipment etc. The strategy is to reduce the number of people who go into residential care – this promotes independence and is something we need to get better at. The health and social care system is almost at breaking point. We pay over and above what we should to keep services maintained. We need the right funding in the right place for the right people. We are helping to keep the system going but are spending more than we should and we are in discussions with the NHS about this. The Care Act will have a huge impact and we don't know what funds we will receive.

Chair – targets are being missed and we are constantly playing catch-up. How can we turn this around?

Denise D'Souza – the un-achieved savings are provider savings. Last year the Under 65s placements increased by 12% so there was a huge increase in care packages. This year there is a 1.5% growth across all groups. Once younger people are in the care system, they are there for a long time. £600,000 relates to the non-delivery of an extra care system that didn't come on stream. We need a menu of options to reduce costs: no one thing will achieve this.

Jess Summer, Age UK – Age UK have been working with the Small Housing Providers Network and looking at innovative solutions such as community based solutions in addition to the large housing providers.

Denise D'Souza – conversations with housing are already underway. 15-20 units are required if you want to provide the right cover in a cost-effective way.

Penny Morley – Some people need residential homes but if there isn't the right support it is like being in prison. In addition, most people don't want tele-services but an individual person.

Denise D'Souza – There is a need for residential care and tele-care is not a substitute for home visits. This is also about engaging the voluntary sector and community support. Historically the older people element (over 65yrs) of the budget has been an underspend with the biggest pressures coming from the under 65s and the learning disabilities spend. Now the over 65 budget is also under pressure. The learning and disabilities review is going to the Health and Wellbeing Board in February.

The £1m saving against the Resource Centre will come from a review of the bed-based short term services that haven't been used for rehabilitation as they should be. If the wrong people end up in the wrong beds it can be very expensive. The issue in the short term is how to fund beds: in the long term it is what beds to we need and who pays?

£400,000 is identified as a saving for Home Care Services although demand is growing – every service is having to take a saving. This saving may be offset by money from the NHS.

The changes to the Deprivation of Liberty Safeguards have had a huge impact. Assessments are very complex and time consuming and numbers have risen dramatically (from around 35 a year to 28 a month).

The Chair thanked James Hengeveld, Richard Butcher Tuset and Denise D'Souza.

53 OPC DEC 2014 JAMES HENGEVELD PRESENTATION

54 OPC WORK PROGRAMME

The OPC are meeting with the Leader, Cllr Jason Kitcat, on 12 January 2015 at 1pm.

The next public meeting of the OPC is 20 January 2015 at the Jubilee Library.

The OPC are jointly involved in an energy event on 22 January 2015 at the Brighthelm Centre. Colin and Penny are meeting Kayla to discuss details.

55 SECRETARY'S UPDATE

Penny Morley

The letter from Cllr Kitcat in response to the OPC letter regarding affordable housing has been circulated.

The University of Brighton design project has been followed up by Jack

The OPC have been contacted about a European project with a scheme to link in with the universities in the UK.

Penny wrote to the Sussex Police and Crime Commissioner and got a standard reply.

Penny and Colin attended the HWB event

The Age Friendly City Forum on 8 December 2014 included a presentation by The Fed and a report on the new division of the city and how it works. The AFC Steering Group meeting was the same day. There was a paper on communication and a presentation on Warm Homes – there is financial support available for emergency provision to keep warm. Public Health are undertaking a strand of work on older people and the next Director of Public Health report is on inequality. The next agenda has an item on the Food Partnership.

The Housing Strategy has been published.

The OPC were contacted by the Building Connected Communities project 'Streetlife'. Harry Steer had joined up to get local information re Portslade from Streetlife.

56 MEMBERS' UPDATE

John Eyles - attended the Friends of the Elderly event hosted by SEA (a PR agency). He is also doing the Ageing Well Falls course.

Jack Hazelgrove - 2 students from the University of Brighton came to discuss their design ideas. One was on gardening and one on pill dispensing.

The Larchwood Community Workder called a meeting sponsored by the Trust for the Developing Communities. Jack and Francis tasked with enlarging the group.

Sue Howley – the Pensioner committee met on 27 November 2014 and decided they can't keep struggling on so it is unlikely there will be March 2015 issue. They have decided to:

- (a) Regroup – to link conversations and get more involved.
- (b) Re-appraise –what is wanted?
- (c) Re-structure –how it is produced and distributed
- (d) Revive and relaunch

Colin Vincent – attended the HWB event and a Community Resilience event about involving the community in events eg snow or flooding.

Attended the Board Meeting of Grey Matters and a budget planning meeting.

Harry Steer – Grey Matters is flourishing and will broadcast what is happening to the OPC. The Independent Advisory Group for the Police continues.

57 ANY OTHER BUSINESS

Chair – the future of the OPC.

The OPC will change their constitution to read:

“In extreme circumstances, for example the local authority being unwilling to fund election costs, the OPC will postpone their election until the council can provide funding. If any member of the OPC stands down during this period, co-option will be considered.”

The meeting concluded at Time Not Specified

Signed

Chair

Dated this

day of

Brighton & Hove City Council Budget Context Briefing Older Peoples Council

James Hengeveld
Head of Finance



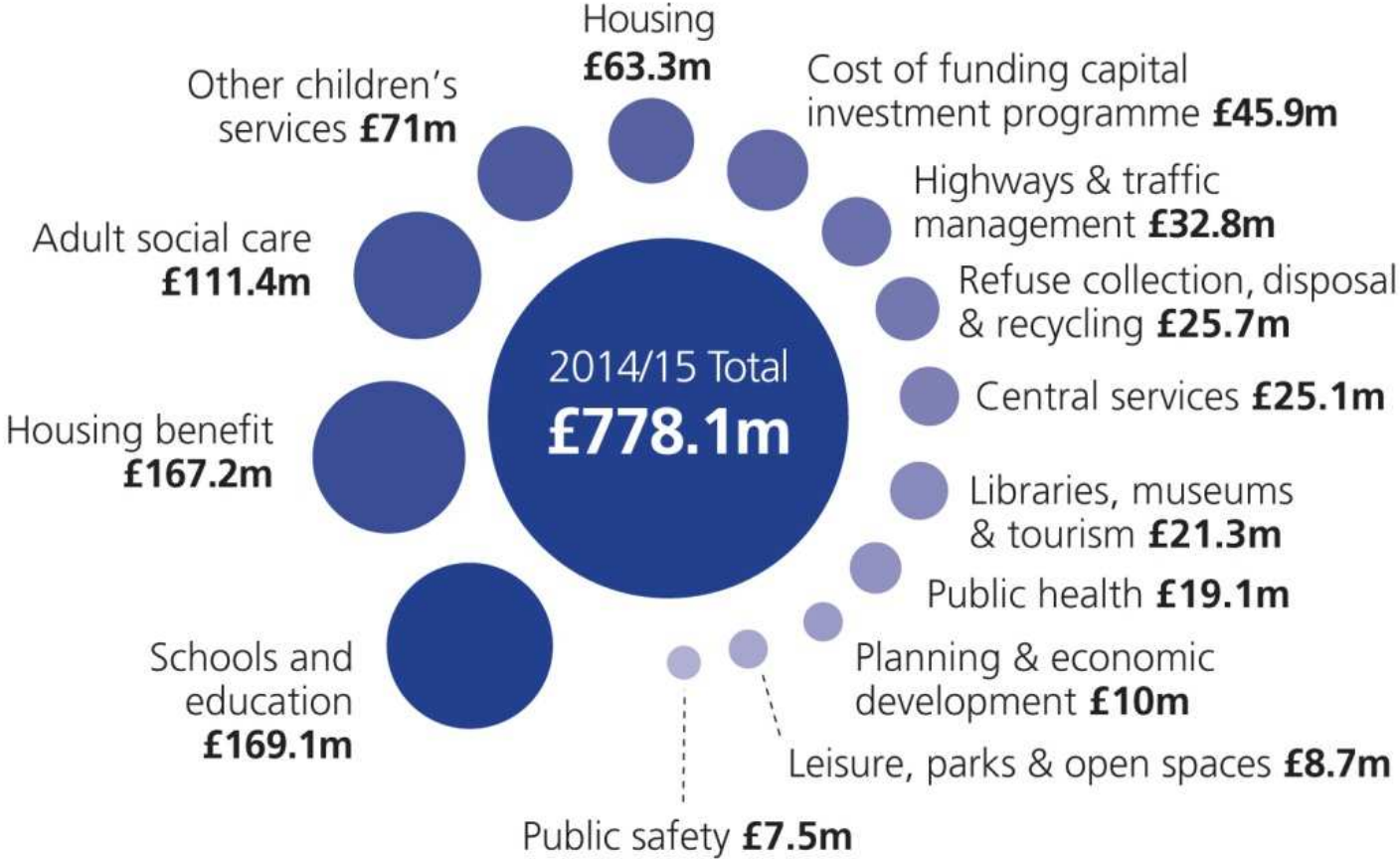
Introduction

Aim of this session:

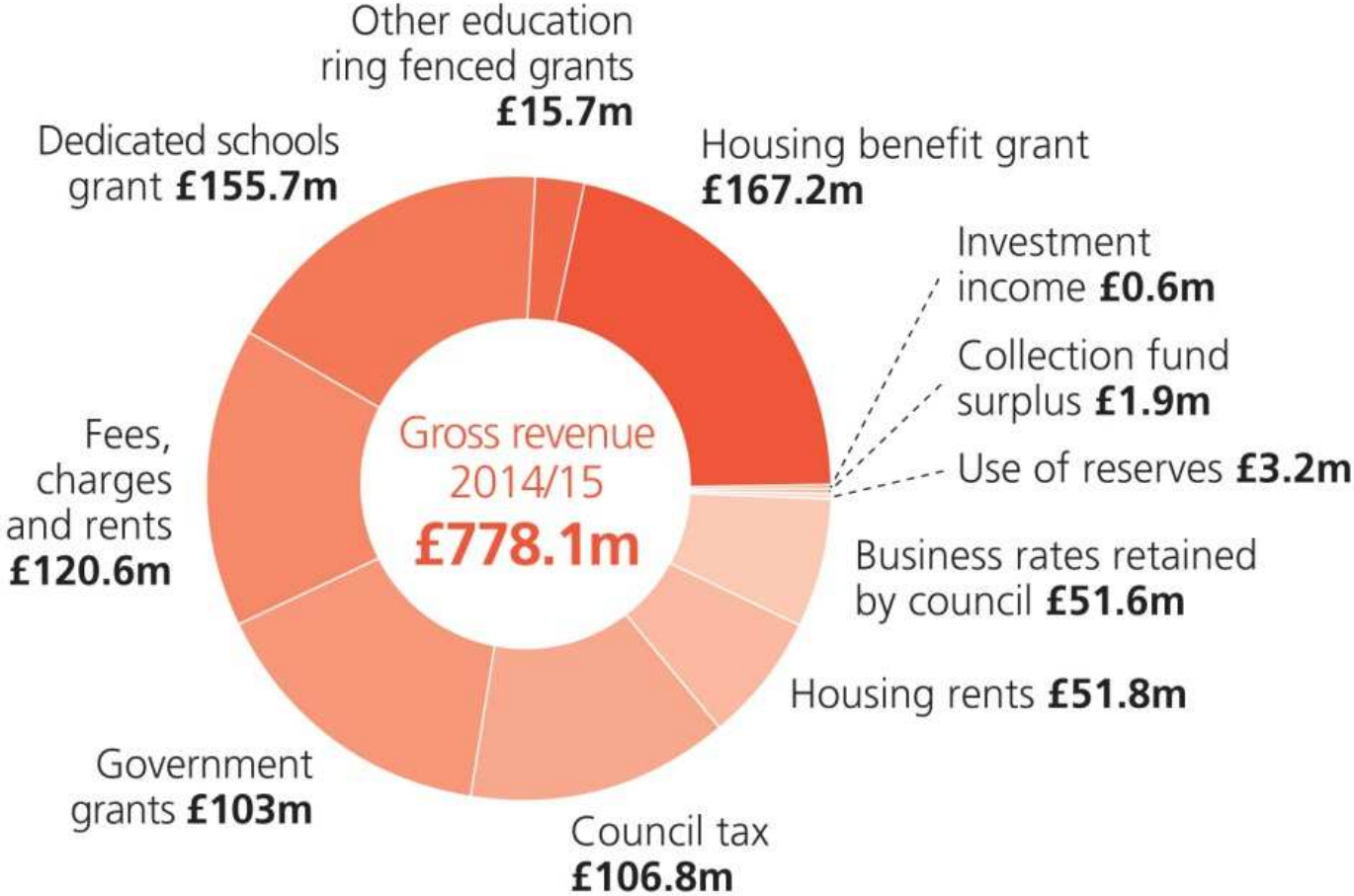
- Provide some insight into how the Council spends its revenue budget and its funding sources
- Understand the scale of the revenue budget gap and its causes
- Provide an update on the 2015/16 budget position
- Set out the key medium term financial risks
- Provide an overview of the capital investment programme and funding risks



How much does the council spend?



Where do we get our money from?

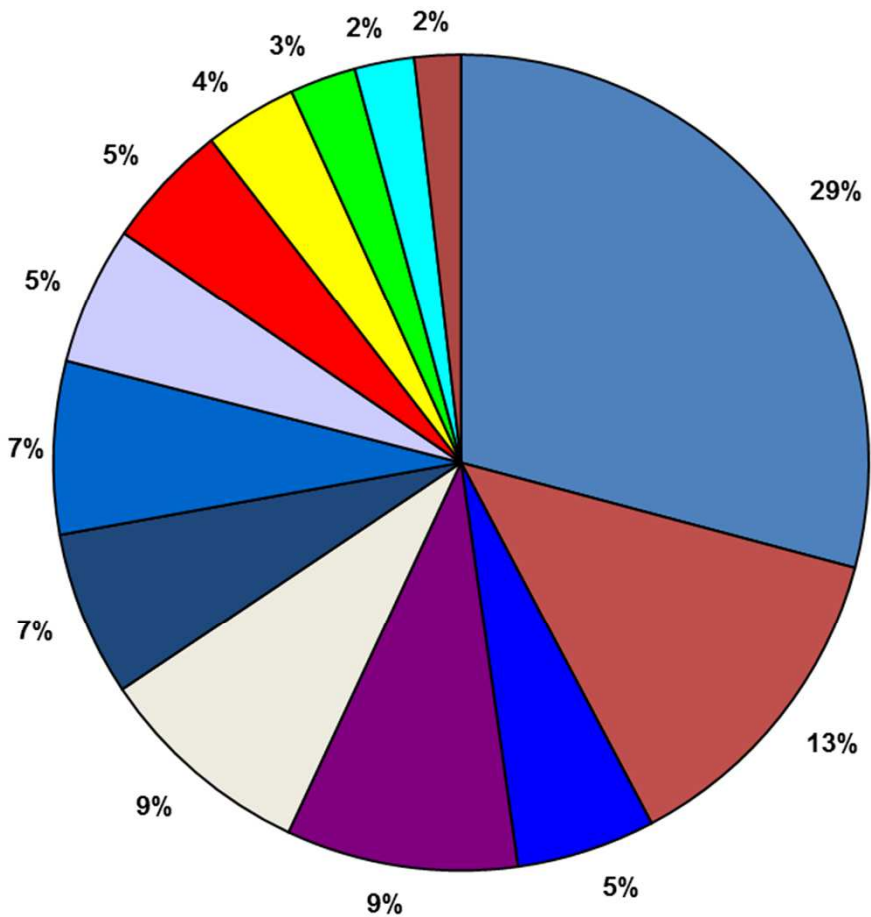


General Fund Spend

- Gross spend less:-
 - Ringfenced schools funding (DSG, Pupil Premium, 6th Form funding)
 - Housing Benefits
 - Housing Revenue Account
- Leaves £381m spend in the General Fund



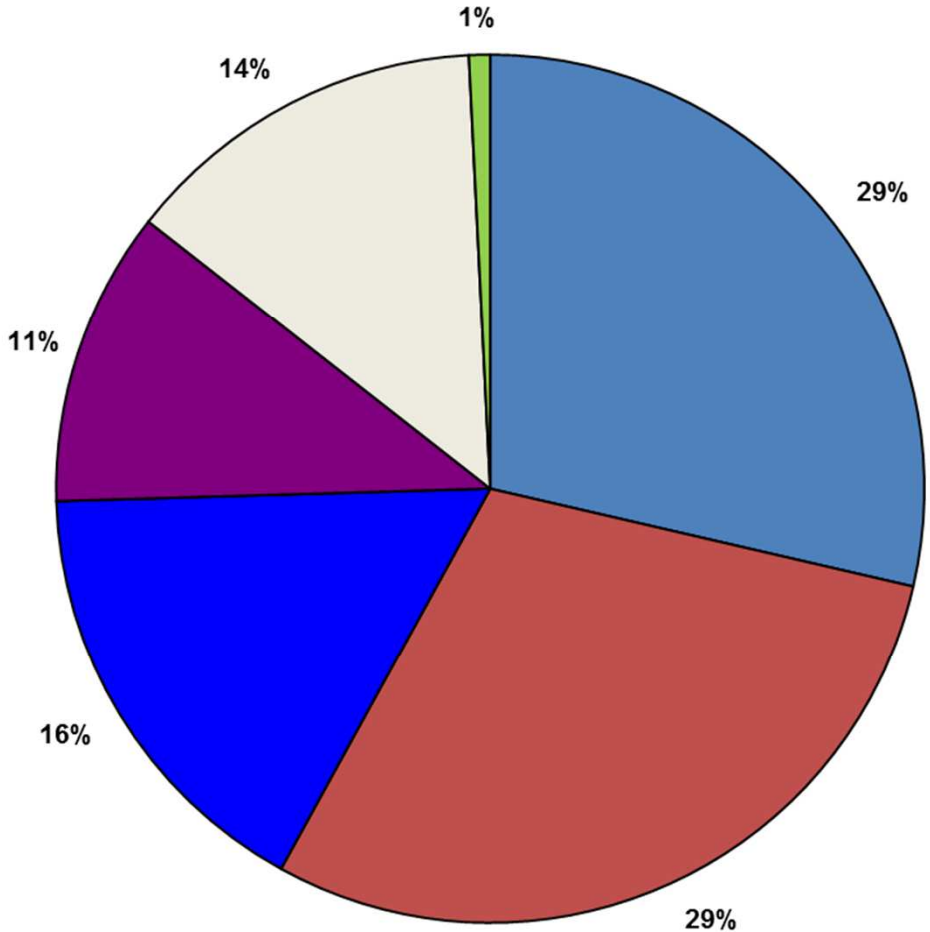
General Fund Services provided by Brighton & Hove City Council in 2014/15 (Gross spending £381m)



- Adult Social Care £111m
- Children's Social Care £50m
- Local Education Authority £21m
- Housing £35m
- Highways £33m
- Central Services £25m
- Refuse Collection & Disposal £26m
- Museums, Libraries & Tourism £21m
- Public Health £19m
- Financing Costs £14m
- Planning & Econ. Development £10m
- Leisure & Parks £9m
- Public Safety £7m



General Fund Services funding in 2014/15



- Council Tax £109m
- Fees & Charges £112m
- Revenue Support Grant £63m
- Government Grants £42m
- Local Business Rates 49% share £52m
- Use of Reserves £3m

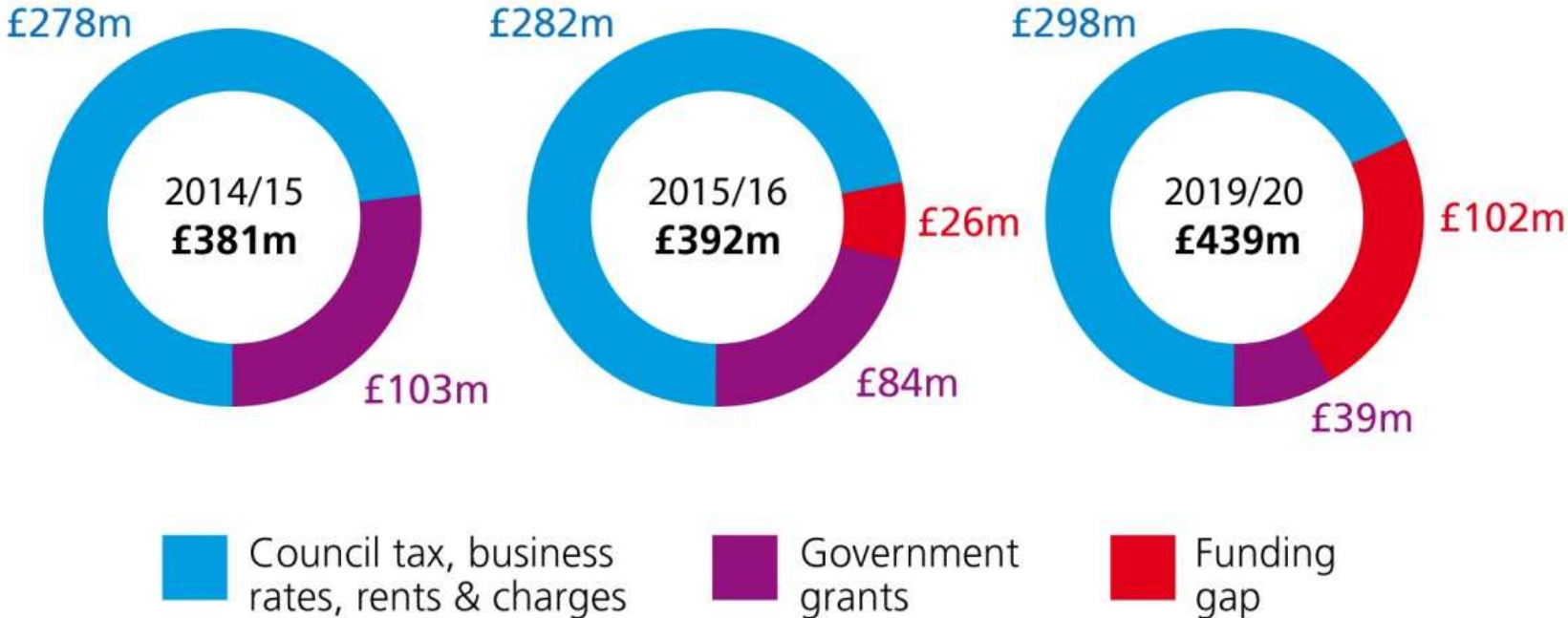


Budget Savings Gap

The budget gap is growing because:

- Council tax increases are being restricted and will continue to be until the next general election and beyond?
- Local Government grant funding is being cut to help fund the national budget deficit for at least the next 5 years.
- Local Business Rates income is unlikely to keep pace with national growth assumptions.
- Costs of providing existing services are rising due to inflation and increasing demand e.g. supporting the most vulnerable

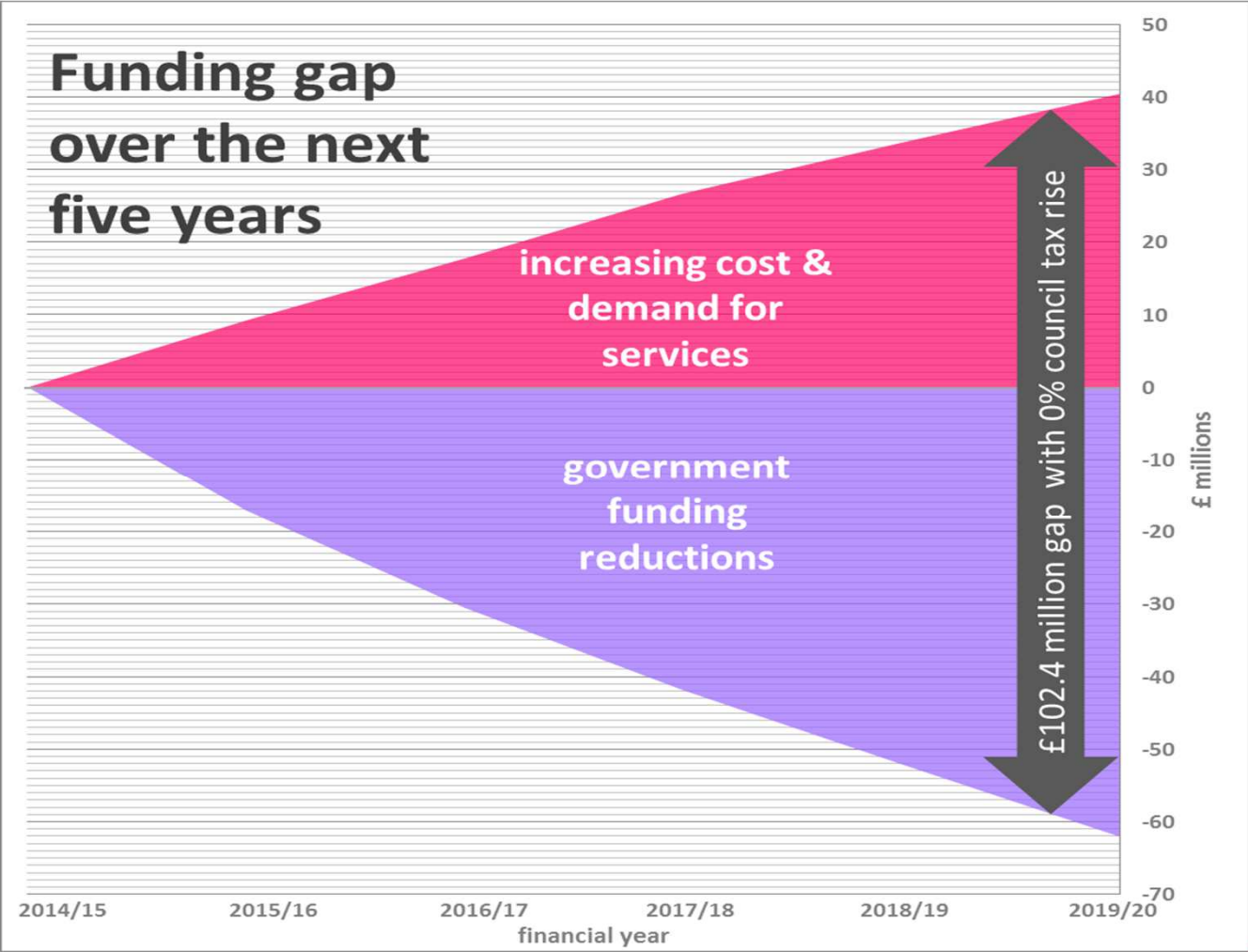
Budget Gap



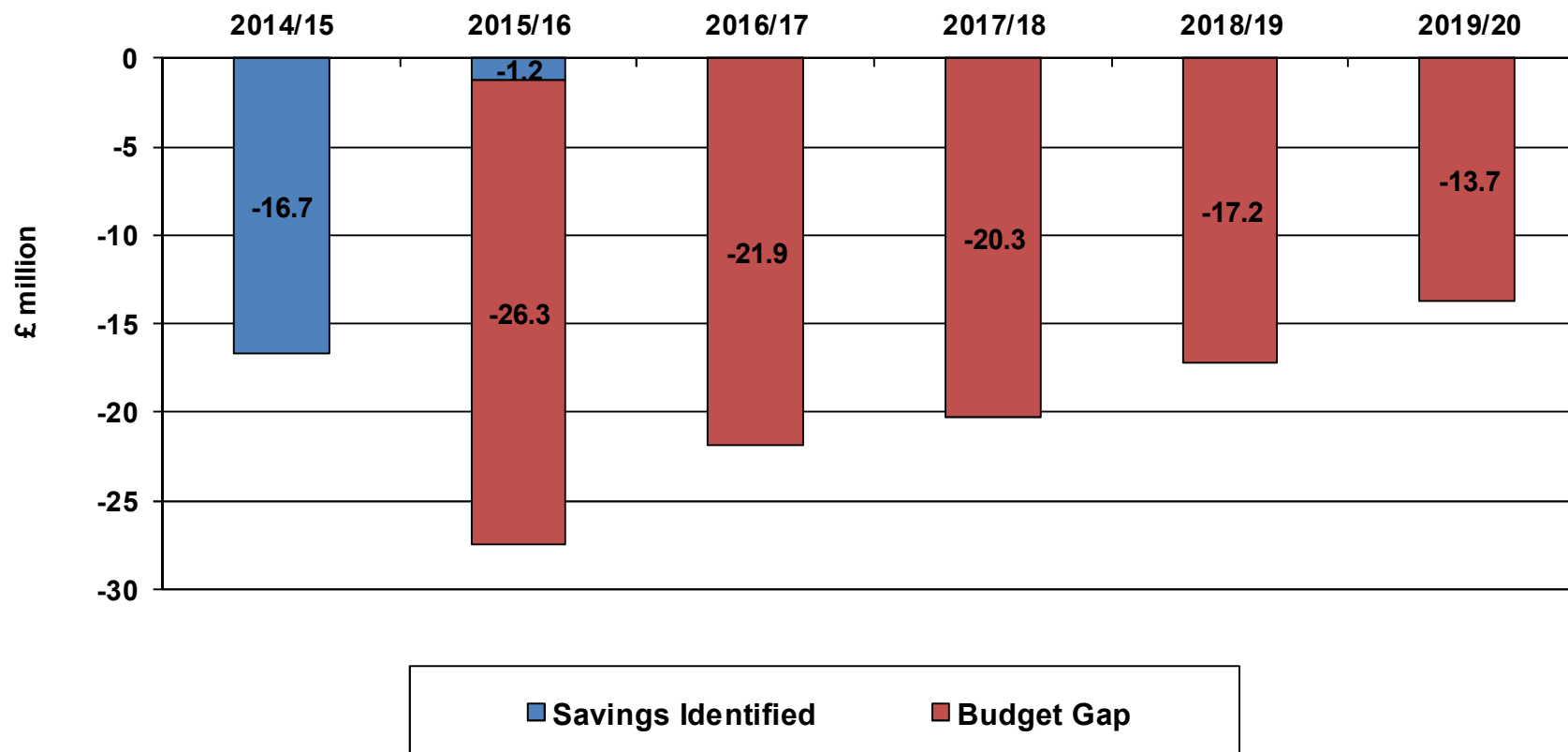
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Budget Gap



2014/15 to 2019/20 Latest Budget Gap Forecasts



- Forecast Budget Gap over 5 years about £102.4 m based on council tax freeze or nearly £92.5m with 2% annual increase but uncertainty over government funding in 2016/17 and beyond .



Budget Gap 2015/16

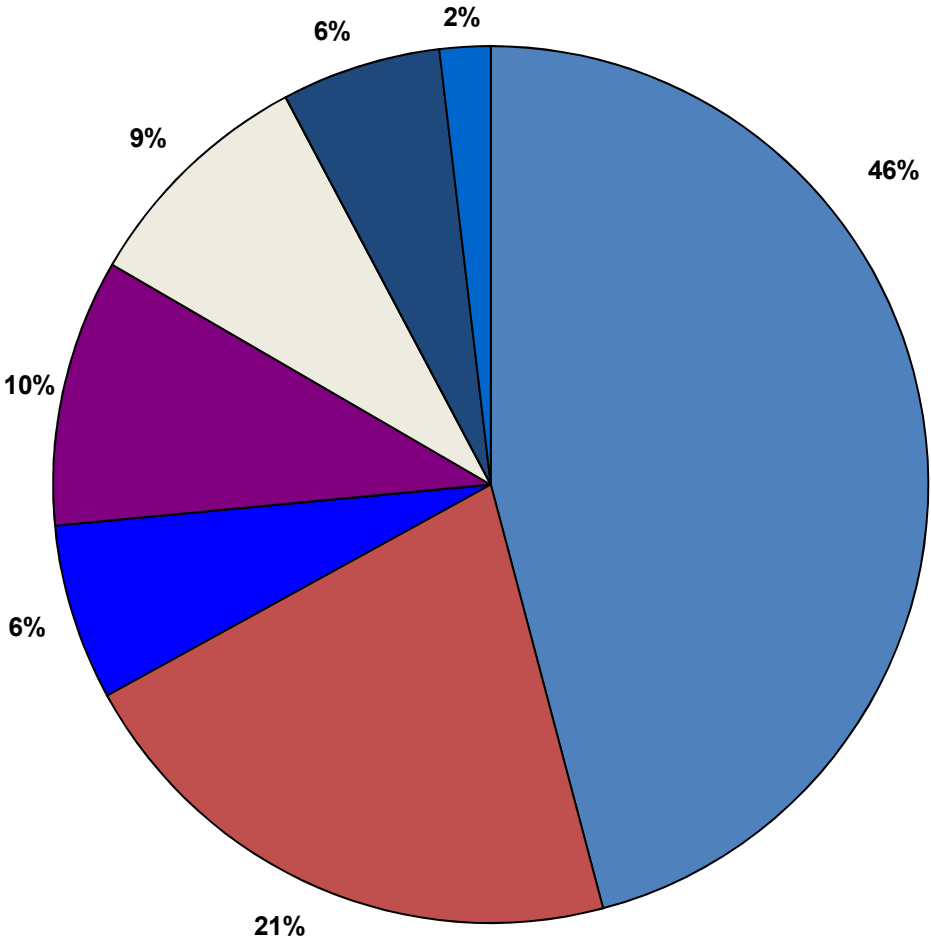
- A council tax freeze will mean savings of £26.36m after allowing for council tax Freeze grant
- A Threshold increase of 2% will mean £25.45m savings are required
- A council tax increase of 5.9% will trigger a referendum. If confirmed will mean a £21.25m savings needed.



Budget Gap 2015/16

	Referendum Budget	Substitute/ Threshold Budget	Freeze Budget
Council Tax increase	5.90%	2%	0%
	£'000	£'000	£'000
Budget Gap	21,251	25,451	26,362
Referendum Proposals (Dec P&R)	-19,600	-19,600	-19,600
Additional Savings (Dec P&R)	0	-4,041	-4,041
Remaining Gap	1,651	1,810	2,721
CTR 25% option rejected	-	1,724	1,724
CTR 15% option agreed at Council 11/12/14	-	-657	-657
Latest Budget Gap	1,651	2,877	3,788

Latest Capital Programme in 2014/15 (£80m)



- Housing £36.7m
- Education £16.9m
- Regeneration £5.2m
- Transport £7.9m
- Corporate (ICT, Property, workstyles) £7.1m
- Waste £4.7m
- Social Care £1.5m



Capital investment challenges

- Investment largely in Housing, Education, Regeneration & Transport.
 - Investment required to meet pupil places requirements over the next 5 years
 - Maintaining the Housing Stock
 - Regeneration projects including delivering new housing and business space
 - Transport investment is mostly funded through government grant.
 - Seafront infrastructure
 - Transforming council services
 - ICT infrastructure and customer experience management
 - Appropriate housing for adults and children’s social care clients



Medium Term Financial Risks

- Business Rates
 - Appeals
 - Growth – City Growth
 - Revaluation in 2017
 - National policy
 - Numerous new and complex exemptions



Council Tax Reduction/ Welfare reforms

- Ongoing reduction in funding for Council Tax Reduction (CTR) scheme
- Protection for pensioners although funding not protected
- Removal of local welfare funding
- Pressure of local housing costs



Adult Social Care

- Better Care
 - Level of additional investment available
 - Performance based criteria
 - Impact on social care
- Care Act
 - New responsibilities
 - Assessment requirements
 - New funding model for individuals following Dilnot review

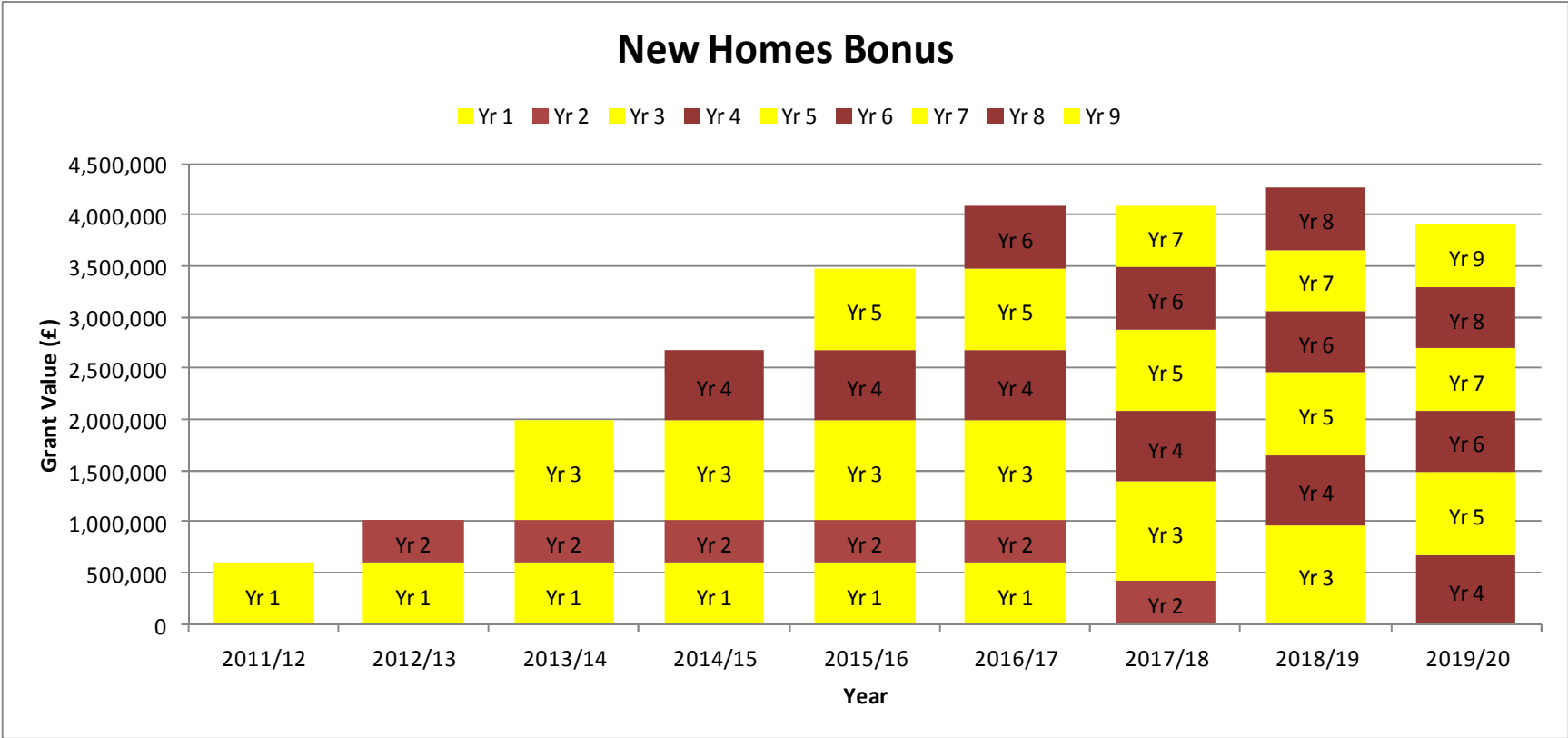


Council Tax Base

- New properties
- Impact of exemptions and discounts
 - Student exemptions
 - Single person discounts
 - Council tax reduction
 - Reliefs for empty properties and during refurbishment
- New homes Bonus



New Homes Bonus

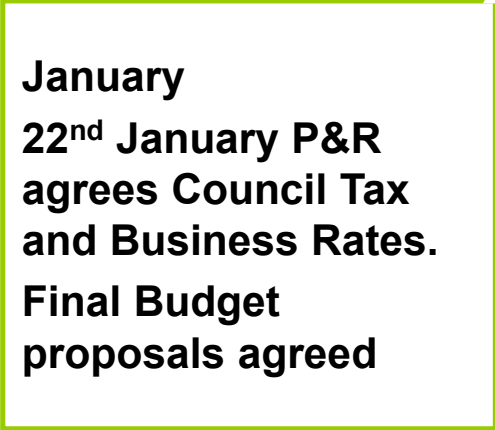
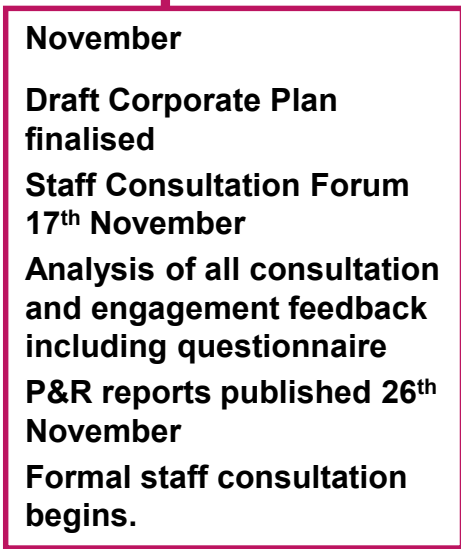
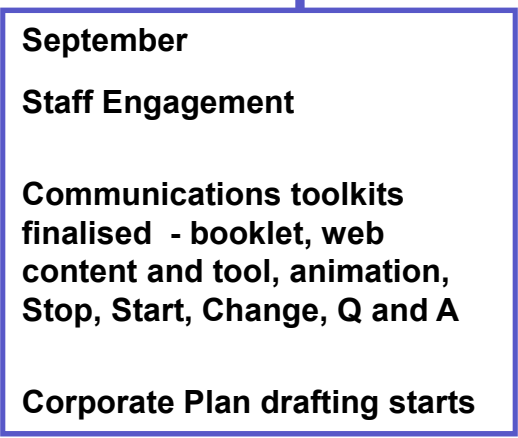
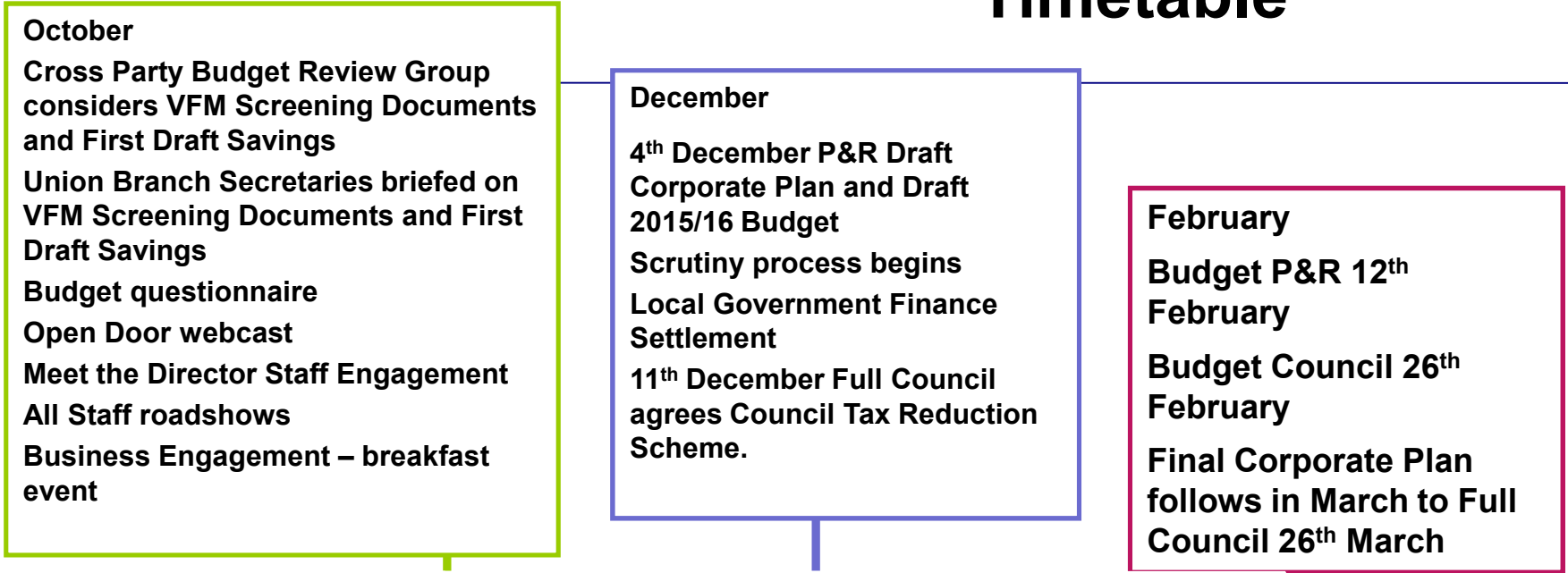


Public Health

- Funding is currently ringfenced
- Potential risks around new funding formula
- Transfers of responsibilities
 - 0 – 5 year old Public Health service from Oct 2015
 - A new Health Premium Incentive scheme phased in during 2015/16 (£5m nationally)



Timetable



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- Any Questions?



Brighton & Hove
City Council

