

MINUTES OF THE BUDGET PANEL
Tuesday 13 October 2009 at 7.30 pm

PRESENT: Councillor Mendoza (Chair), Councillor V Brown (Vice-Chair) and Councillors Gupta and Van Kalwala

ALSO PRESENT: Councillors John (part) and Dunwell

Apologies were received from Councillors Butt and Cummins

1. **Declarations of personal and prejudicial interests**

None declared.

2. **Deputations**

None received.

3. **Minutes of the previous meeting**

RESOLVED:

that the minutes of the previous meeting, held on Wednesday 23 September 2009, be approved as an accurate record of the meeting.

4. **Matters arising**

None raised.

5. **Brent's Improvement and Efficiency Strategy**

Cathy Tyson (Assistant Director, Policy) introduced the report, gave a presentation and answered questions from councillors on the action plan for the Council's four-year improvement and efficiency strategy for the period 2010-2014. The strategy had been launched a year previously, and represented an integrated response to the challenges the Council was facing both locally and nationally in making real differences to the life experiences of communities in Brent. It set out three themes, aimed at driving service improvement and using resources more efficiently:

- a *One Council* approach
- raising performance and maximising efficiency
- delivery of major projects.

The consequences of the financial situation nationally and the local impact of the recession, combined with the prospects of serious financial constraint and rising customer expectations, gave added significance and urgency to the strategy. Since the launch of the strategy, detailed research, analysis and consultation had taken place with staff and councillors on identifying areas of activity with the most scope for efficiency savings and improvement. The eight strands identified were:

- service transformation and review
- property management, including the Civic Centre project

- improved procurement, commissioning and contract management
- delivery of the *One Council* proposals
- new and more flexible ways of working
- stopping lower priority activities
- increasing income generation
- an independent review of structure and staffing.

The action plan set out a programme of projects designed to reconfigure the way in which the Council provides services to the public, at the same time as achieving substantial efficiencies and effective service delivery. The projects, which covered a balance of cross-Council and individual services, had been categorised as gold, silver and bronze, depending on their strategic importance, organisational impact or complexity and capacity to deliver savings. Savings targets and timescales had been included in the action plan. The total savings target was a minimum of £50m, but with an equal emphasis on improving service delivery. The aim was to cut costs, not services or jobs. The PricewaterhouseCoopers (PwC) staffing and structure review had confirmed the need to standardise, streamline and share, in order to avoid waste and eliminate duplication and inefficiency. In addition, the need over time to broaden and standardise management spans of controls had been recognised, but changes would be based on the needs of the organisation, rather than a process-driven approach. With staff turnover at 13-16%, there was capacity to cope with a 10% reduction in staffing over the four-year period.

Asked about the relationship between the strands and projects, Cathy Tyson informed the Panel that, while the strands had been the starting point for the projects, they remained central, and individual projects might relate to more than one strand. Some of the strands had come out of work undertaken in the nine task groups, others from an exercise looking at value for money.

Answering a question on how the strategy related to the corporate strategy, Cathy Tyson reported that the current corporate strategy was coming to an end, but that the important thing about the improvement and efficiency strategy was that it was an enabling strategy, complementing the Council's other strategies and plans. Asked what was new about the strategy, Cathy Tyson reported that it was the approach to managing resources, setting the budget and reducing the cost base, thereby being able to continue to fund services at the required level. In response to a question about input from service users, Cathy Tyson stated that much consultation was done on the basis of individual services, with the results built into reconfiguring services.

Asked how the savings targets had been arrived at, Duncan McLeod (Director, Finance and Corporate Resources) informed members that a range of methods had been used. For example, comparisons with cross-London benchmarks had been used in the service reviews, as a result of which targets and stretch targets had been set. Benchmarking had been used in the PwC staffing and structure review, and assessments had been carried out for smaller projects. A detailed business case had been prepared on financial management. However, some targets were provisional, and more work needed to be done on the business case. Independent validation had also been used, as well as external advisers and consultants, together with the Council's own benchmarking sources.

In response to a member's question, Cathy Tyson emphasised that other local authorities in London were in the same situation as Brent, seeking savings and efficiencies, with similar areas identified. However, she took the view that some

authorities had approached the issue in a potentially disruptive way, for example, by making large numbers of redundancies. Brent took the view that there was scope to address improvement and efficiency without destabilising services, and that it was important to manage the strategy in this way, particularly in relation to social care for adults and children.

Answering a question on what could derail the strategy, Cathy Tyson took the view that dealing with the pace of change could be an issue, and that it was important to have effective project management to ensure that changes happened with staff engaged. All possible routes were being used to communicate with staff, the key one being managers' communication with staff.

Asked why the improvement and efficiency strategy had not been suggested in the past, Duncan McLeod informed the Panel that many of the tools had not been available in the past for such a co-ordinated approach. Cathy Tyson added that, with the rationalisation and shared use of ICT systems, improvement and efficiency were now achievable.

Members of the Panel were keen to follow the progress of the strategy, which they described as an interesting attempt to address the need for improvement and efficiency in tandem with service improvement. In particular, the Panel agreed to consider at a future meeting the progress of the staffing and structure review and the review of strategic procurement.

RESOLVED:

- (i) that the report be noted:
- (ii) that information on the progress of the staffing and structure review and the review of strategic procurement be brought to a future meeting of the Panel.

6. **Adult Social Care Budget Issues**

Martin Cheeseman (Director, Housing and Community Care) gave a presentation and answered questions from councillors on the adult social care budget and forecast for 2009/10. He reported that the net budget was £87.7m (£109.2m gross), with a relatively small overspend of £127,000 currently forecast. The department was seeking to reduce the predicted overspend, but in general this budget was volatile and demand-led, with key issues and risks. The previous year's overspend of £1.2m had arisen in part as a result of one-off expenditure on IT, but the consolidation of housing and community care finance had now strengthened financial control. Longer-term pressures on current and future budgets included demographic changes, possible future legislative changes and the cost of managing the personalisation of care services. On the other hand, Brent was at the lower end in a comparison of London Boroughs' spending on adult social care as a proportion of overall Council spending. The transformation of adult social care was a gold project in Brent's improvement and efficiency strategy, with a realistic savings target of £1.4m. A focus of transformation was to do as much as possible to prevent need and to maximise the independence of service users. Alternatives to residential care were being looked at, for example. Less dependent options tended to be the most cost effective, and a comparison of the spending of London Boroughs showed that the more an authority spent on assessment, the less it spent on residential care. Currently too many people were going straight into residential care from hospital, and there had been a history of a disjointed approach between partners in this area. In future no one would move straight to residential care from

hospital without intermediate assessment. This would provide an estimated saving of £600,000 over a full year. Shared procurement would also deliver savings. One of the biggest challenges remained the personalisation agenda and the need to respond to changing provision as a result. Progress was being made and, while it was slower than had been anticipated by the professionals, the outcome would be positive.

Martin Cheeseman reported that in general within the adult social care budget there were opportunities to make changes and control spending, but that more would be known half-way through the year. He informed the Panel that, all other things being equal, with demand as currently predicted and in the context of the current financial framework, it should be possible for the department to be within its allocated budget by the year end.

Answering questions on the personalisation of social care and individual budgets for service users, Martin Cheeseman acknowledged that predicting the pattern of purchasing was a challenge, and that there would come a point where the twin-tracking of services became expensive. Asked if he believed that the personalisation agenda could bring savings, he informed the Panel that, while initial estimates had indicated that there would be considerable savings, it was quite possible that it could turn out to be cost-neutral. Savings tended to be made with the first 10-20% of service users moving onto individual budgets, and there would be savings if and when 100% was achieved, but analysing the costs and dealing with the challenges of twin tracking in the interim was a challenge. No one disagreed on the final goal of the personalisation agenda, but achieving it would not be easy.

The Chair thanked Martin Cheeseman for his presentation, and commended amount of thought that had clearly been put into managing the budget and service provision in the medium and long term.

RESOLVED:

that the report be noted.

7. Date of next meeting

The Panel noted that the next meeting, originally scheduled to take place on Thursday 12 November, would now be held on Wednesday 11 November 2009.

The meeting closed at 8.20 pm

A MENDOZA
Chair