

GREEN PROPOSALS FOR THE BRIGHTON & HOVE BUDGET 2017-18

Budget amendments 2017: Our priorities, our principles

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Foreword

Councillor Phélim Mac Cafferty, Convenor of the Green Group of Councillors

There can be no question that the macabre project to cut councils to the bone is failing. Cuts are perpetuating inequality in our communities in Brighton and Hove while the most powerful continue to prosper. We have an unparalleled growth of foodbanks and homeless while recent figures from the Local Government Association tell us that almost 80% of councils the length and breadth of the country will struggle to make ends meet.

This is the context for the budget and to manage this, sadly the Labour leadership of the council have decided to cut essential services. If successful, this way of managing money will see the burden of reducing budgets fall on the young, the elderly and vulnerable. This is not only unfair, it comes with a hefty long-term financial cost to society.

We cannot rescue the budget, merely tweak it, but our amendments aim to reduce the impact of cuts on the most vulnerable. Greens approach the budget guided by principles of prevention and protection. We put some of our city's most marginalised communities at the very heart of our suggestions. This is fairer and saves money longer term for the city.

Rather than comply with a Tory agenda that strikes at the least powerful in our society, we will try to push for bold alternatives, that centre around fairness, to protect those most at risk.

Introduction

Councillor Ollie Sykes, Green Finance lead

The Labour administration's budget simply passes on Tory cuts. If passed as it stands, it will see a range of services, such as the Youth Service, Early Help, our voluntary and community sector and vital housing posts decimated. The question is - is there a way of avoiding some of these cuts through local decisions?

We have worked hard to analyse the budget over the coming year and the next three years – and we believe changes can be made to reverse the very worst cuts. We may not receive support for our approach, yet the evidence supports our claims; that investing in prevention protects the most vulnerable in our communities and saves us money. We're forced by central government cuts to look more closely at all local opportunities to raise income. We believe a significant number of the worst cuts can be avoided if the will is there. Valuing preventative services and 'spending to save' is at the centre of our approach.

Our priorities, our principles

Although we can only make amendments to the Labour administration's budget, Greens have led with our principles of fairness and support for those who need it. Our aim is to make suggestions that turn the focus of the Council towards the real value of the city's preventative work and towards 'spend to save' initiatives that will support the Council – and our residents – in the long term. This is a different approach to managing budgets but we must push to resist savage cuts in difficult circumstances. Our key priority areas are outlined below from 1-5, with our original proposals included at the end of this document.

1. Spending to Save Money: a focus on the value of prevention (page 3)
2. Homelessness and Temporary Accommodation (page 5)
3. Getting serious about value for money: Contract management (page 6)
4. Raising Income – Fairer budget distribution (page 7)
5. A longer term, more realistic budget approach (page 8)

1. Spending to save money: a focus on the value of prevention

Preventative services have genuine value. Although not often a legal requirement, work done to address issues before they hit crisis point helps to avert the need for more complex and costly interventions later on. Preventable issues are costing a significant amount to the council. Research from the University of Kent and BHCC's Stronger Families and Communities Programme has estimated that there are costs to the Council of around £8,300 a year to support a rough sleeper, £11,192 per year on school exclusions and £4,528 per year for every young person not in employment. [1]

“Early intervention offers significant opportunities to respond to budgetary constraints[...]Much of the evidence was from residents describing how support earlier could have made their lives not only fairer, but, importantly, less dependent on expensive statutory services and costly late interventions.”
Brighton and Hove Fairness Commission

The Council's own Fairness Commission has strongly made the case for early intervention, outlining how partners and decision makers need to see it as “investment to save” in all areas [2] . Community and voluntary organisations that provide support across diverse areas and communities in our city, from mental health work, health and wellbeing initiatives and support for adults with learning disabilities have expressed serious concerns about the impact of these cuts. Some cases studies include[3] :

- Two partnerships of voluntary organisations are currently funded by the council to work on domestic violence. Just three extra call outs to the police would cost the public sector £6,816
- Older people can access care in their home through a community sector partnership in the city, avoiding both hospital costs and the need for residential care. The cost to the local authority of putting just 15 people into residential care is estimated at £421,980 a year [4]. An estimated 36,000 or more people in the city are over 65 [5]
- 54% of older people in the city find their day-to-day activities limited by a health problem or disability [6]. Loneliness has been reported to be as damaging as smoking 15 cigarettes a day [7]. Yet more than 200 groups use Brighton's Community Transport to take the elderly to leisure activities, lunch clubs and health appointments [8]

Despite proven returns on investment through working with the voluntary sector the Labour administration are proposing to cut these budgets in the next financial year. Green budget proposals conversely reflect the necessity of planning to protect services over time, and take a more sensible, long term approach.

There are £370k of cuts proposed to the Third Sector Investment Programme and an extra £645k to community youth work. But protecting these services will save the Council money, an approach backed by hard evidence. [9]

More importantly though, our budget proposals are about the responsibility we have to fund services that prevent a crisis and that keep our communities safe and supported.

Our amendments seek to reverse:

- the £370k cut to the Third Sector Investment Programme;
- cut to supported buses, at £170k;
- cuts to support for people in volatile housing situations, £65k
- cuts to Early Years work, including the Early Help Hub at cost of £480k
- the proposed cut to the Youth Service at a cost of £645k
- a proposed cut to the Community Safety team at a cost of £45k

Our proposals seek to protect and invest in preventative services. By doing so, we can remove the need for ‘transitional’ funding to cope with cuts, budget for less demand to statutory services, and set the Council up to save money in the coming years.

2. Homelessness and Temporary Accommodation

The Greens have fought hard to bring in extra support to address the housing crisis in our city, including lowering the cost of affordable rents in Council housing schemes and asking the Council to open up empty buildings for use as temporary homeless shelters.

In January the Council successfully brought in a £2.5million funding boost to the city to be spent on homelessness prevention, in the expectation that money would be saved in this area as a result.[10] This grant is likely to have a positive effect on the work on homelessness in the city and anticipates a significant reduction in the need for temporary accommodation. Current costs of temporary accommodation are high. However this has not been accounted for in the budget. If the Council were to reflect this in their budget, they could stand to save over £500k.

However, the grant is not proposed to fund our existing services, which is why Greens also want to reverse the proposed cut to our housing support officers, to give our community and Council the best chance to make good use of the grant.

3. Getting serious about value for money: Contract Management

Each year, the Council spends around £220 million [11] on external contracts and managing ‘third-party’ spend. The Council currently outsources a range of services, from building contractors to private care homes. Yet these contracts and their associated costs require monitoring and management to maintain assurance over their value for money. The cost to the Council of failing suppliers is far greater when things go wrong. [12]

A case study for contract management

Coin Co International, the company contracted to collect parking fees for the Council, collapsed in 2016 owing the Council £3.2 million and having failed to make payments. The Council were unable to fully recover these costs, emphasising the need to learn from these mistakes and to increase capacity for managing contracts.

The Greens want to see better accountability from our external providers. In a survey of 1000 members of the public, only 16% think there is adequate regulation of private companies running public services. [13]

Widely supported Council proposals provide evidence that increased resource in Contract Management will result in savings. There is an argument that tightening Contract Management could generate a 5% saving on third party spend. Even at conservative estimates, just 1% of savings would gain £2.7 million for the Council. The required additional investment to fully fund this work is estimated at £200k, so is an invest-to-save initiative.

Even at its most reserved estimate, the Council could gain almost £2.7 million through better management of its external provider contracts. Our Contract Management proposal could release enough funds to stop many service reductions, including planned cuts to the Youth Service, the Early Help Hub and our community sector.

4. Raising Income: fairer budget redistribution

Our proposals are based on positive actions that seek to increase the income of the Council, without shouldering the burden of a rising cost of living on those who are already vulnerable or on low incomes. Our budget plans generate increased revenue through fees and charges for services to people who can afford to pay more, and put the revenue towards protecting lifelines for those who cannot.

We propose to match income we raise to the service we protect, for example people paying for a property service know that in doing so they are helping to end homelessness.

A Greener budget: Removing the diesel vehicle subsidy

Updated research has found that diesel cars produce almost ten times as much damaging air pollution as the average bus, with almost 97% of diesel cars pumping out toxic levels of Nitrogen oxide [14] [15]. We want to remove the subsidy that makes it almost 50% cheaper to own a diesel car in our city and reduce unacceptable air pollution. In several areas of our city, air quality has deteriorated and pollution levels breach acceptable UK and EU limits.

This will also bring charges more in line with other vehicles and could raise around £117k. Reversing this subsidy will release significant funds that Greens want to see used to protect the supported transport and bus routes that help the elderly and disabled stay mobile and active in our communities.

Council services

The Council has historically charged much lower than nearby local authorities for many property services. Croydon, for example charge £260 to conduct a 'land charge search' for property buyers and Bedford Council charge £169. We are proposing an increase in this area to align our fees to national benchmarks that, if successful, could net the Council an additional £44k to put towards services that support those at risk of homelessness, and help to reverse planned cuts to Housing Support posts. In addition, minor changes to the charges for large-scale building work, if successful, could raise an additional £86k in revenue based on our current market share.

5. A longer term, more realistic budget approach

It is clear that the Labour administration are focused on this year's budget pressures but cuts to services this year stack up costs for years to come. We need to look more long term and at the opportunities that are present in future years. The Council's longer term financial outlook does not include the effect of any the city's major projects or other investments.[16] It is our opinion that the Council needs to take a more detailed view of the city's likely future income and use this information to reduce the risk of needing to cut key services now. We need to strike the right balance between managing financial risks and managing social and service risks, which also have financial consequences.

Although we cannot provide more than six amendments to the administration's budget, our suggestions seek to enable the Council to reverse some of the worst of the planned cuts, to create new services and support existing services that generate savings and positive outcomes for our city.

**"Decision makers must be brave to invest in preventive activity of proven cost-effectiveness, even if the benefits may not be seen for a decade or more."
Public Health England**

GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2017/18

Green Group Amendments *Version 1*

Green Group Amendment 1

It is proposed that the following income is raised towards the General Fund revenue budget for 2017/18:

- To increase the joint CON29 and LLC1 Local Authority land charges search fee by £100 and individual part fees proportionately, **raising £0.44m;**
- To increase income from highways skip and scaffold licences by 15%, **raising £0.024m;**
- To increase income from highways hoarding licences by 15%, **raising £0.014m;**
- To raise the fee for all building control inspections by 10%, **raising £0.048m;**
- Remove the subsidy on resident parking permits for certain diesel vehicles, **raising £0.117m;**

The proposals above will generate ongoing **revenue of £0.643m**. It is proposed that these resources be used to:

- Reverse cuts to two key posts in Housing Support (Housing Needs and Housing Options), £65k;
- Reverse £0.208m of the cut to the Third Sector Investment Programme;
- Fund the remainder of the Contract Management business case to drive up contract efficiency, at an ongoing cost of £0.2m;
- Reverse the proposed cut to supported buses, at a cost of £0.17m.

Green Group Amendment 2

It is proposed that the following additional savings are made in the General Fund revenue budget for 2017/18:

- In the light of new homeless prevention and support grants of £2.5m announced in Jan17, adjust pressure funding allocated to expected demand for homelessness support and Temporary Accommodation, **saving £0.5m;**
- In the light of expected savings in a range of third party contracts resulting from full funding of the Contract Management business case, adjust corporate recurrent risk provision from £1.5m to £1.1m, **saving £0.4m;**
- In the light of reinstatement of investment in the Third Sector Improvement Programme (TSIP) and other preventative services and resulting effect in terms of demand reduction, adjust pressure funding allocated to Adult Social Care, **saving £0.316m;**

These proposals will generate ongoing **savings of £1.374m**. It is proposed that these resources will be used to:

- Reverse the proposed cut to Early Years work including the Early Help Hub at a cost of £0.48m;
- Reverse the remaining £0.162m of the proposed cut to the Third Sector Investment Programme;
- Reverse the proposed cut to the Youth Service at a cost of £0.645m;
- Reverse a proposed cut to the Community Safety team at a cost of £0.045m.

Green Group Amendment 3

Should amendments 1 and 2 pass, we propose that **one-off resources totalling £1.128m** made available from (a) the projected 16/17 underspend of £1.035m on Digital 1st (b) freeing up £0.1m allocated to Youth Service transitional funding and (c) freeing up £0.08m allocated to protecting a supported bus route for a limited period are used as follows. This will require a reprofile of the capital programme such that an additional £0.948m may be required for the 2019-20 year.

- £0.25m to provide security and basic facilities to allow the use of empty council buildings by rough sleepers, as agreed by all parties in a recent Full Council NoM;
- £0.36m to meet the possible shortfalls in Heritage Lottery Fund match funding (£0.18m) and in the capital investment programme (£0.18m) created by terminating the sales of parts of our Downland estate;
- £0.15m to boost resource in our sustainability team over a two year period;
- £0.2m to further increase resource to the TSIP over a two-year period;
- £0.132m to reverse the cut to the Easylink service over a two-year period.

Green Group Amendment 4

If amendments 1, 2 and 3 fall, it is proposed that the projected 16/17 underspend of **£1.035m** on Digital 1st is used as follows. This will require a reprofile of the capital programme such that an additional £1.035m may be required for the 2019-20 year.

- £0.1m towards provision of security and basic facilities to allow the use of empty council buildings by rough sleepers, as agreed by all parties in a recent Full Council NoM;
- £0.2m to fund the remainder of the contract management business case in its initial year;
- £0.467m to provide transitional support for Youth Service voluntary and community sector contracts;
- £0.268m to provide transitional support to the TSIP.

End-notes

- 1** Personal Social Services Research Unit, University of Kent, 'Unit costs of Health and Social Care,' 2013; BHCC's Stronger Families, Stronger Communities Programme (the Savings Calculation Framework, 2014; Communities and Local Government and New Economy Foundation Manchester – 'Unit Costs Database,' 2014.
- 2** Brighton and Hove Fairness Commission: The Report, 2016 ([https://present.brighton-hove.gov.uk/Published/C00000885/M00006179/AI00052255/\\$20160706145616_009364_0038584_FinalFullReportWebVersion.pdf](https://present.brighton-hove.gov.uk/Published/C00000885/M00006179/AI00052255/$20160706145616_009364_0038584_FinalFullReportWebVersion.pdf).ps.pdf) p. 64
- 3** Case studies provided by Brighton and Hove Community Works
- 4** As .1
- 5** Brighton and Hove 2016 Joint Strategic Needs Assessment; Brighton and Hove City Snapshot (<https://www.bhconnected.org.uk/sites/bhconnected/files/City%20Snapshot%20Report%20of%20Statistics%202014%202.pdf>)
- 6** Brighton and Hove Community Works (<http://www.bhcommunityworks.org.uk/wp-content/uploads/2016/07/FC-Position-Statement5-Older-people-and-wellbeing1.pdf>)
- 7** Holt-Lundstadt, 2015 (<http://www.campaigntoendloneliness.org/threat-to-health/>)
- 8** BHCT Community Transport Annual Review (<https://www.bhct.co.uk/wp-content/uploads/2014/05/Annual-Report.2016.pdf>)
- 9** E.g Local Government Association: "Assessing the Cost Effectiveness and Return on Investment of Public Health Interventions" (<http://www.local.gov.uk/documents/10180/11493/Money+well+spent+-+Assessing+the+cost+effectiveness+and+return+on+investment+of+public+service+interventions/25c68e94-ff2c-4938-a41c-32853b4d4a9d>)
- 10** http://www.theargus.co.uk/news/15056556.Empty_council_buildings_to_be_used_to_home_rough_sleepers/?ref=arc; and <http://www.brightonandhove.news.org/2016/12/09/housing-minister-praises-innovative-100m-scheme-to-build-1000-affordable-homes-in-brighton-and-hove/>
- 11** <http://www.brightonandhoveindependent.co.uk/news/council-handed-2-5m-to-tackle-homelessness-in-brighton-and-hove-1-7773035>
- 12** Brighton and Hove Procurement Strategy: (<https://present.brighton-hove.gov.uk/mglIssueHistoryHome.aspx?IId=47900&Opt=0>)
- 13** Brighton and Hove Independent, Coin Co: "Parking Company Crashed Owing £3.2m to BHCC," 2015 and; Audit and Standards Committee: <https://present.brighton-hove.gov.uk/mglIssueHistoryHome.aspx?IId=47900&Opt=0>
- 14** Survation, 2014 (<https://weownit.org.uk/privatisation-doesn%E2%80%99t-work/whats-problem-outsourcing-companies>)
- 15** The Guardian, 2017 "Diesel Cars 10 times more toxic than trucks and buses" (<https://www.theguardian.com/environment/2017/jan/06/diesel-cars-are-10-times-more-toxic-than-trucks-and-buses-data-shows>)
- 16** The Guardian, 2016 "Emissions from new diesel cars are still far higher than official limit" (<https://www.theguardian.com/environment/2016/aug/30/emissions-new-diesel-cars-far-higher-than-official-limit>)
- 17** Brighton and Hove City Council Medium Term Financial Strategy (https://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/Brighton%20%26%20Hove%20City%20Council%20Medium%20Term%20Financial%20Strategy%202015-2019_0.pdf)



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