

## QUESTIONS FOR BUDGET OVERVIEW AND SCRUTINY - responses

### DRAFT BUDGET

Councillors were in particular were concerned with the potential impacts within the appendix K2. This document refers to staff redundancies and funding cuts both to internal and external organisations.

<p>How were the redundancies decided? What was the strategy for this?</p>	<p>The council undertakes a detailed process to develop its budget strategy. This includes the PIER (priority, income, expenditure reviews) process. This process is led by the Strategic Overview and Planning Board (SOAPB). The SOAPB (Leader, Deputy, Directors, Chief Finance Officer and Continuous Improvement Manager) has been meeting regularly since March to assess every aspect of council expenditure. In addition there have been three 'budget weeks' where 10 full consecutive days were set aside for focussed work (in April, June and September). The September sessions and a number of extended CAP meetings involved all of the Lead Councillors and Senior Officer team.</p> <p>The proposals considered at these meetings are informed by inputs from service managers and accountants monthly meetings work, discussions at Departmental Management Teams and Corporate Management Team meetings – all of which have been focussed on identifying ways of meeting the council's budget deficit.</p> <p>The process also ensured that there were open and honest staff engagement briefings and seeking of inputs and ideas.</p>
<p>What was the prioritisation process when deciding the impact of loss for each job role within the council?</p>	

	<p>The council had a significant budget deficit to identify c.£2.4m of savings to balance the budget for 2020/21 and this increased to nearer £3.2m once additional growth items were factored in.</p> <p>The budget strategy approach was to:</p> <ul style="list-style-type: none"><li>a) Firstly identify savings from a review of the previous year's budget underspend – this identified approx. £300k of savings (subsequently wiped out by the homelessness overspend)</li><li>b) Maximise income from fees and charges and other commercial/economic development opportunities investments, external funding etc.</li><li>c) Review management structure via LGA's Decision Making Accountability process – in progress</li><li>d) Identify areas of service reduction from:<ul style="list-style-type: none"><li>i) efficiencies found from digital by design or process changes;</li><li>ii) where we can fund our activity from another source of funding;</li><li>iii) where there is no statutory duty to undertake an activity and:<ul style="list-style-type: none"><li>• we are not contractually obliged to continue it in its current form or</li><li>• it does not contribute significant income above costs;</li><li>• we assessed that the service cannot be paused until our financial situation</li></ul></li></ul></li></ul>
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	<p>improves iv) where we can continue to deliver a 'must do' service albeit at a slower or reduced level but continue to meet priority need/statutory timetables.</p>
<p>What learnings did you take from previous redundancy processes?</p>	<p>We sought to ensure that any posts put at risk were not subsequently removed from being at risk unless new information came to light through the consultation period.</p>
<p>What learnings are there from this redundancy process?</p>	<p>Although we have undertaken some structure changes – we acknowledge that there is further work required to refocus staff around corporate priorities during the year.</p>
<p>What will our future staff structures look like?</p>	<p>The timing of the snap election has meant the decisions on future staff structures have not been progressed to a position that they can be included in the budget details. These processes will need to continue in parallel as we agree our new structures and Blueprint for the future.</p>
<p>How does this fit in with the organisations future plans?</p>	<p>The future shape of the council will depend in part on the focus of the new Leader and their need to continue to balance decreasing core council resources with regeneration opportunities, new ways of working and new areas of activity for HBC (developments, housing and climate change etc.)</p>
<p>How are staff able to give their views? What impact will this have?</p>	<p>A programme of staff briefings has been undertaken during the year giving staff honest appraisals of the situation and inviting comments and suggestions. All staff were then invited to attend budget briefings before the budget was published. Those impacted by budget proposals were briefed before colleagues were</p>

	<p>made aware. The Directors set up an email address for comments on the draft budget to be sent directly to them and offered to attend meetings/meet with staff as requested. The formal 30 day process of consultation with staff at risk is being led by People and Business Support in consultation with the Unions.</p>
<p>What will need to stop or slow down as a result of the redundancies?</p>	<p>The draft budget identifies an approx. 10% reduction in staff resources and 1/3 reduction in the very senior management team (2 out of 6). The council will therefore have to work differently in the future, prioritising harder and being clearer where we are no longer able to support or deliver as we had done previously. Efforts will also continue to bring in income and external funds to enable council objectives to be met, albeit over a longer timescale that would be desired.</p> <p>The ability of the officer leadership to handle new initiatives will be reduced, however all new initiatives will be subject to a more rigid prioritisation process.</p>
<p>How will remaining staff be impacted by these redundancies? What will change for them?</p>	<p>Some staff will be impacted by 'survivor guilt', others may have to take on some additional or different work. The budget also highlights that there will be different ways of working in future e.g. further digital first changes, a new Administration Hub, and teams are likely to be clustered in new ways under potentially different management arrangements when the senior manager restructure is undertaken.</p>

<p>How will the public be impacted by these redundancies? What will change for them? How will this be communicated?</p> <p>How are frontline services impacted by this?</p>	<p>The service reductions will be communicated once the decisions have been made by Full Council in our normal ways.</p> <p>Any service reductions are likely to be noticeable by the direct service users, however the impact will vary depending on the area. For example, the pause of the CCTV no doubt have an impact on some groups, although the Police still have access to the cameras.</p> <p>Other services e.g. Revenues and Benefits are minimising the impact through our investment in new technology to manage demand and operate the processes differently e.g. the new self-service portal for benefit applications.</p> <p>We are also re-prioritising our expenditure to meet urgent needs e.g. temp accommodation to house homeless people.</p>
<p>What will happen to the Senior Manager structure? What strategies are you using to decide this? Who is involved in this?</p>	<p>The Leader and Deputy are working with People and Business Support and LGA about new structures and as this is part of the staff consultation process it is not appropriate to comment at this stage.</p>
<p>What transitional arrangements are in place for the loss of staff?</p>	<p>Managers will seek to capture knowledge and handovers from staff leaving HBC. However this is an area where business process mapping will assist as many more of our processes and activities should now be recorded.</p>
<p>What transitional arrangements are in place for the Senior Management restructure?</p>	<p>N/A</p>

<p>Scrutiny have used the example of selling Harrow Lane to help with the short term goal of balancing the budget. Long term building housing on this land would have high impact on helping with the towns housing crisis.</p> <p>How was it decided that this should be sold now?</p>	<p>There is an urgent need to balance the budget. One option is to sell assets and either to use the money to finance expenditure that would otherwise have to be borrowed for. Borrowing costs (interest and capital/MRP) are a cost to the revenue account. The Council's limited balances will prevent the Council developing all of its own sites itself. Given the priority of developing the Lower Bexhill road Lower Tier site, or repaying £7m of grant, the preferred option is to sell the council's sites that will have planning permission and are "oven ready". These will attract the highest prices and we can include clauses that require development within specified timescales – thus meeting the urgent need for more housing and high percentages of affordable housing. This should in turn help mitigate the massive increases in temporary accommodation costs. If alternative options can be identified before the sale of these sites, and that provides more revenue income within 2020/21, these will still be considered.</p>
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**DRAFT CORPORATE PLAN**

<p>Last year Scrutiny requested to the leadership to be involved in the development and design of the new corporate plan soon after the last one had been approved. Why hasn't this happened and what arrangements will be put in place to ensure early input of Scrutiny into the design and delivery of the next corporate plan going forward?</p>	<p>It is understood that this request was prompted by Scrutiny Steering Group discussions and resulted in a verbal agreement between the Scrutiny Chair and the Deputy Leader in early summer. Following this, both O and S and Cabinet pressed on with their usual work and there was an oversight by both in following up and discussing how best to progress this and, regrettably, as a result has not been picked up again until now.</p>
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	<p>In terms of arrangements for next year, Scrutiny colleagues will note from the covering report in their budget consultation papers that there is the intention to make the new corporate plan more dynamic and trackable, moving it and associated performance arrangements online on our website.</p> <p>A key piece of work for this will be firming up performance measures and how these are to be presented and tracked on our website. It is proposed that subject to Scrutiny agreement, that a special meeting is held for Scrutiny to scope ideal performance arrangements and presentation on our website and that this is followed up with a meeting with the executive to reach consensus on this. <b>The proposed date will be highlighted at the meeting.</b></p> <p>Should this be fruitful then such a meeting could kick start earlier and specific dialogue on improving and enhancing our corporate plan and performance arrangements between O and S and the executive. This can coincide with proposed work in the draft corporate plan on developing and implementing a 'corporate standard.'</p> <p>Should this be agreeable, then it will be important that the minutes reflect this, so that associated meetings can be set and put in diaries.</p>
<p>Last year's Corporate Plan set out 7 key programmes. How have Senior Managers achieved the aims for each of these?</p>	<p>Progress against each of the 7 key programmes are reported to O&amp;S at each of their quarterly meetings. The year-end review meeting will spend some more time assessing whole-year progress and considering learning</p>
<p>What learnings are there from last year in delivering these key</p>	

programmes?	from the projects/programmes
<p>How is the Council's ability to deliver the Corporate Plan affected by the reduction in staff numbers?</p>	<p>The corporate plan and the council's activities will need to be shaped according to the staff resources available.</p> <p>For business as usual (BAU) services the PIs, service standards and response times will need to be adjusted to meet the resources available.</p> <p>For new activities resource assessments will need to be undertaken to inform business cases for any new projects/programmes to ensure they are deliverable. External sources of funding or resource skills may be a solution.</p>
<p>The agreed Anti-poverty motion and the Overview and Scrutiny Regeneration Funding Review recommended a more focussed effort on helping people in the most deprived wards.</p> <ul style="list-style-type: none"> <li>-How does the Corporate Plan achieve this aim?</li> <li>-How is this communicated in the document?</li> <li>-How will the Council's work be refocussed on achieving this aim?</li> </ul>	<p>In the draft corporate plan there are two particular areas where it is intended that commitments made in the anti-poverty motion and the O and S recommendation to focus effort on helping people in the most deprived wards will be addressed.</p> <p>Our first draft refreshed priority 'Tackling poverty, homelessness and ensuring quality housing' intends to focus how we will tackle poverty predominantly through our housing and homelessness proposed activities for the year ahead and through our Benefits processing targets.</p> <p>In terms of focus on helping people in more deprived wards, delivering year 2 of our CHART programme under our 'Delivery of our major regeneration schemes' priority is where we have dedicated resource to help people in</p>



	<p>our more deprived wards.</p> <p>O and S members may feel that the draft corporate plan needs to be more specific with regards to these intentions. We therefore welcome any suggested wording changes the committee might recommend as part of the live consultation. These will be reported to Cabinet and Council in the usual way and where change is agreed the draft corporate plan will be edited accordingly.</p>
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