

Brighton & Hove
Strategic Partnership

BHSP's Strategic Finance Session

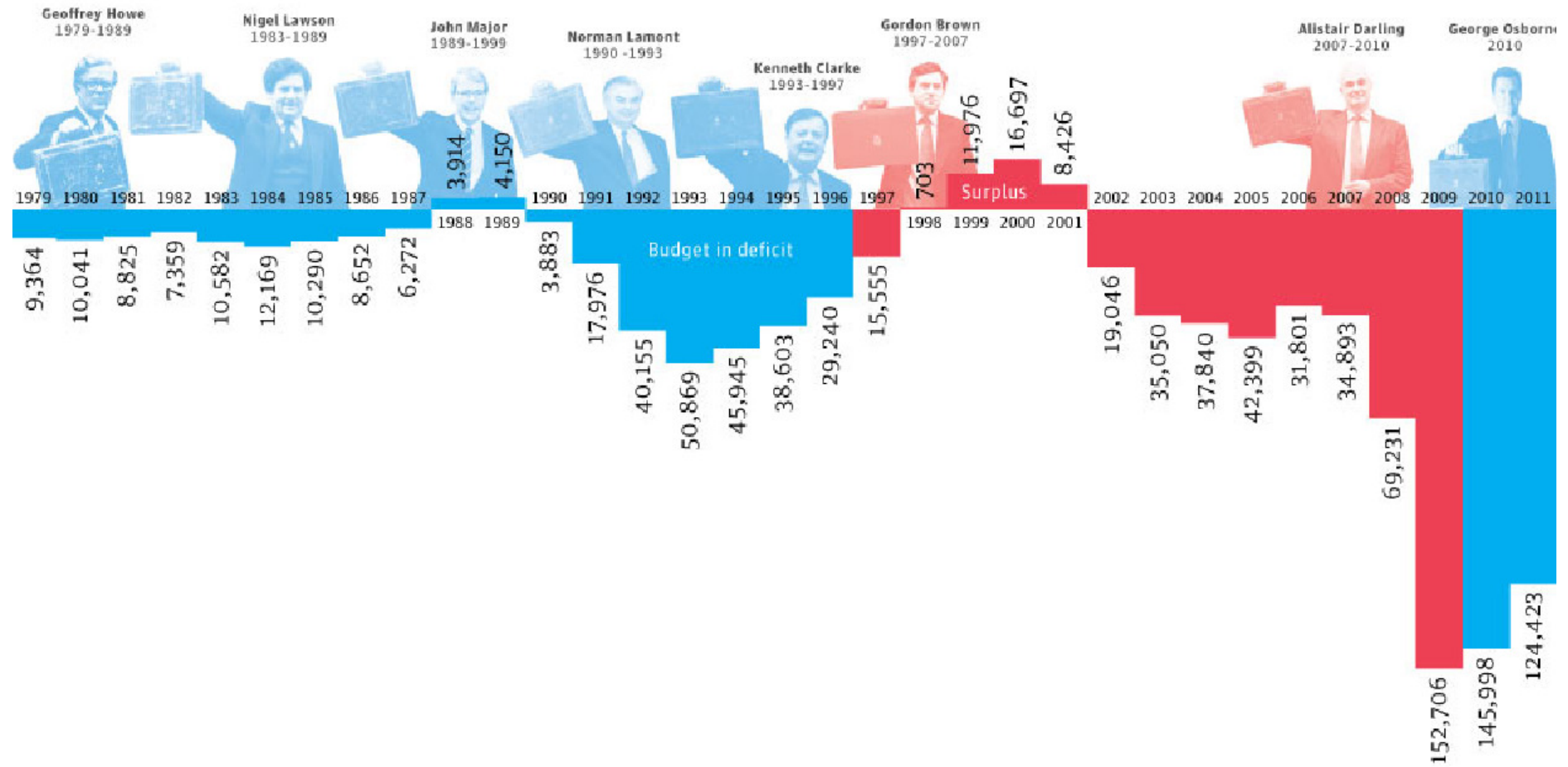
Friday 26th October, 9:30am-12:30pm
Hanover Room, Brighthelm Centre

Objective of Day

To highlight with partners the current situation for funding of public services in the medium term, to understand the implications and to explore possible solutions

UK budget deficit and borrowing

Net borrowing, £m (exc financial interventions) ♦ Conservative ♦ Labour



Rise and fall

GDP at purchasing power parity (PPP) rankings

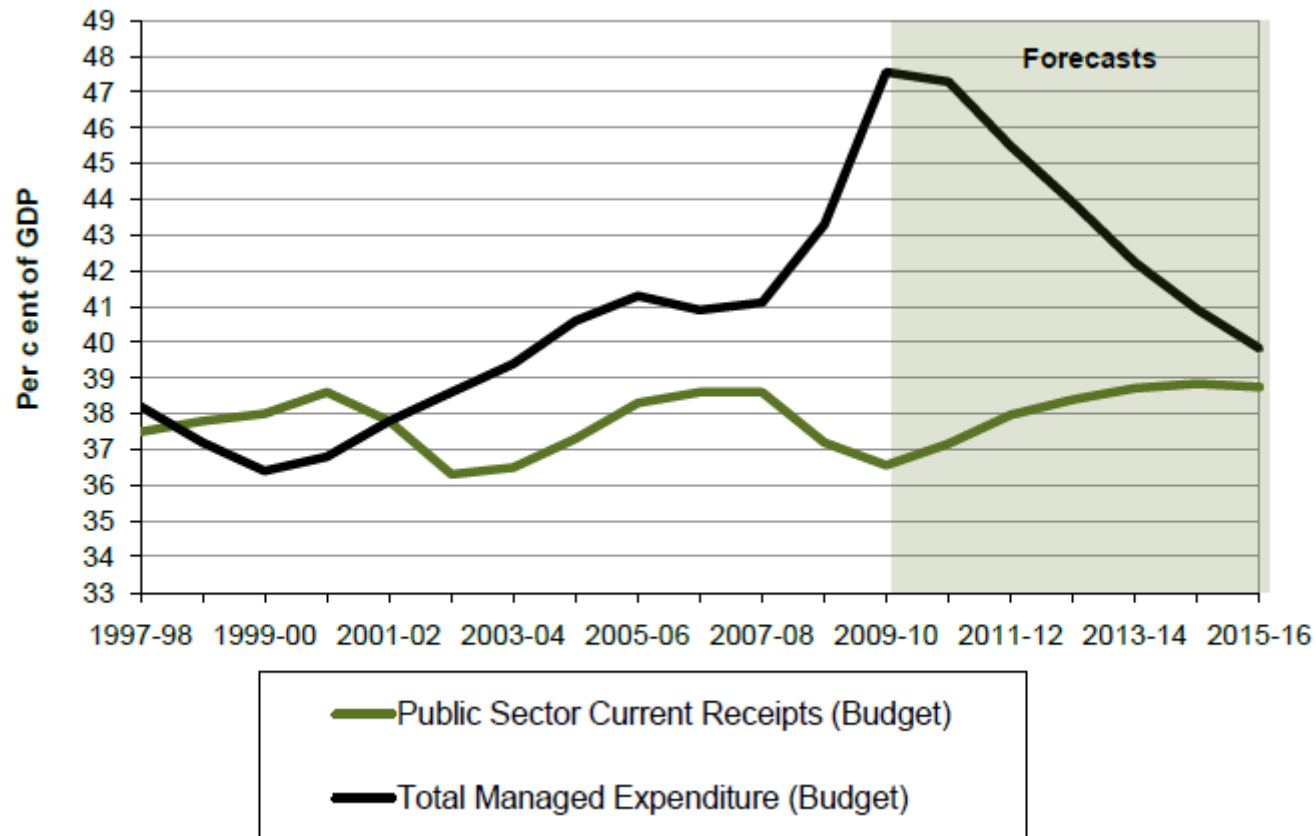
| 2009 rank | | GDP at PPP* | 2050 rank | | Projected GDP at PPP* |
|-----------|--------------|------------------|-----------|--------------|-----------------------|
| 1 | US | \$14,256bn | 1 | China | \$59,475bn |
| 2 | China | \$8,888bn | 2 | India | \$43,180bn |
| 3 | Japan | \$4,138bn | 3 | US | \$37,876bn |
| 4 | India | \$3,752bn | 4 | Brazil | \$9,762bn |
| 5 | Germany | \$2,984bn | 5 | Japan | \$7,664bn |
| 6 | Russia | \$2,687bn | 6 | Russia | \$7,559bn |
| 7 | UK | \$2,257bn | 7 | Mexico | \$6,682bn |
| 8 | France | \$2,172bn | 8 | Indonesia | \$6,205bn |
| 9 | Brazil | \$2,020bn | 9 | Germany | \$5,707bn |
| 10 | Italy | \$1,922bn | 10 | UK | \$5,628bn |
| 11 | Mexico | \$1,540bn | 11 | France | \$5,344 bn |
| 12 | Spain | \$1,496bn | 12 | Turkey | \$5,298bn |
| 13 | South Korea | \$1,324bn | 13 | Nigeria | \$4,530bn |
| 14 | Canada | \$1,280bn | 14 | Vietnam | \$3,939bn |
| 15 | Turkey | \$1,040bn | 15 | Italy | \$3,798bn |
| 16 | Indonesia | \$967bn | 16 | Canada | \$3,322bn |
| 17 | Australia | \$858bn | 17 | South Korea | \$3,258bn |
| 18 | Saudi Arabia | \$595bn | 18 | Spain | \$3,195bn |
| 19 | Argentina | \$586bn | 19 | Saudi Arabia | \$3,039bn |
| 20 | South Africa | \$508bn | 20 | Argentina | \$2,549bn |

Economic growth

Projected average annual real growth in GDP, 2009-2050

| | |
|--------------|-------------|
| Vietnam | 8.8% |
| India | 8.1% |
| Nigeria | 7.9% |
| China | 5.9% |
| Indonesia | 5.8% |
| Turkey | 5.1% |
| South Africa | 5.0% |
| Saudi Arabia | 5.0% |
| Argentina | 4.9% |
| Mexico | 4.7% |
| Brazil | 4.4% |
| Russia | 4.0% |
| Korea | 3.1% |
| Australia | 2.4% |
| US | 2.4% |
| UK | 2.3% |
| Canada | 2.2% |
| Spain | 1.9% |
| France | 1.7% |
| Italy | 1.4% |
| Germany | 1.3% |
| Japan | 1.0% |

Context: Receipts and Total Managed Expenditure



The Themes of Spending Review

- **Reform**

- *Redistributing power towards citizens, communities and independent providers*
- *Developing power so central Govt will become smaller and more strategic – reform in every public service*
- *A tough new efficiency regime, improved transparency, accountability and financial management*

How Reform Drives Partnership Working!

- Smaller Central Government – less central direction and new approaches to promote value for money
- New ways of doing business and new entrants:
 - Greater role for voluntary and community sector
 - Bringing in external investment into the public sector

Spending Review was about *how money is spent*, not just how much is spent

What does the direction of reform mean for partnership working?

Looking beyond the usual public sector bodies for....

New partners

This means better engaging...

- Private enterprise/equity
- VCS bodies
- Employee groups
- Citizens

Engaging with them in different ways to build....

New relationships

This means asking them for...

- Innovative finance
- Expertise
- Time
- Commitment

Seeking direction from communities to create...

New accountability

This means sharing with them more...

- Decisions
- Choices
- Information
- Opportunities

World can be different...

- Greater citizen control and responsibility
- Increased community resilience
- Community empowerment and devolutions
- More social enterprise, third and community sector public service delivery
- Mutualism
- Greater diversity of provision and outcomes
- Variable geography can raise issues for local working

Opportunities for Local Leadership

- Community leadership/place shaping
 - Democratic legitimacy
 - Local Councillors as community organisers
- More freedom **but** over 30% less money
 - Less central performance management
- Facilitate and support Big Society
 - And community and third sectors

Locally Driven Total Place

- Locally designed, driven, led and implemented
- Challenge to get (and keep) all partners on board
- All have less money
- Opportunities to
 - Set common goals
 - Share property, assets and people
 - Re-design services to achieve outcomes for citizens
- Does not need national programme

Local Solutions for Local Needs

- Effective aligned local leadership
- Effective local partnership working
 - Should be based on LSP
- Partners willing to cede power for greater good
- Shared and definite objectives
- Clear responsibilities and accountabilities
- “Total Place” can become **“Our Total Place”**