

SERVICE CHOICES

1. EXECUTIVE SUMMARY

- 1.1 Service Choices is an approach that plans for the estimated funding reductions by aligning the available budget to Members priorities.
- 1.2 Appendix 1 provides an analysis of all services within the Council's net £244m budget. It was noted in the report to the Policy and Resources Committee on 2 April that a number of budgets were outwith the scope of service choices. The Project Board considered the list of excluded budgets at their meeting on 28 April 2015. It is recommended that £28.8m remain outwith the scope of service choices; £16.8m remain under continued review, £6.4m brought back into service choices and £0.5m moved back into the General Fund.
- 1.3 Services that were marked for budget reductions have been working on high level savings options to reduce budgets by either 7%, if light touch, or between 20-25%. These savings proposals were presented at the Members Workshop on 5 June 2015. The results of that exercise need time to be considered and it is proposed that further work, incorporating the feedback from the workshop, be progressed by the Project Board with proposals on service targets being brought back to the Policy and Resources Committee on 20 August.
- 1.4 Social Work services have been working on high level savings proposals. However, it is proposed that scope for greater efficiency would be enhanced by adopting an integrated approach to develop proposals; setting targets over the 3 year Strategic Plan from the perspective of aggregated funding from both Council and Health services. There still needs to be a contribution of savings towards the Council's overall budget gap and it is recommended that a percentage reduction target on the Social Work budget is set for developing plans for the Integrated Joint Board. Further work will be required to develop the recommended target.

SERVICE CHOICES

2. INTRODUCTION

- 2.1 Service Choices is an approach that plans for the estimated funding reductions by aligning the available budget to Members priorities.
- 2.2 A report was presented to the Policy and Resources Committee on 2 April and the committee agreed to note the approach to Service Choices. Service packages were allocated into categories; maintain, increase, delay or reduce.
- 2.3 A Project Board was established tasked with producing options to be presented to a workshop for all Elected Members to consider.
- 2.4 There were service areas that were noted as outwith the scope of service choices and these were considered at the Project Board on 28 April 2015.
- 2.5 Services that were marked for budget reductions have been working on producing high level savings options which were considered at a Members Workshop on 5 June 2015.
- 2.6 The Policy and Resources Committee is asked to note that further work is now proposed to consider the feedback from the seminar with savings targets to be brought back to this Committee on 20 August.
- 2.7 For Social Work Services it is proposed that scope for greater efficiency would be enhanced by adopting an integrated approach; setting targets over the 3 year Strategic Plan from the perspective of aggregated funding from both Council and Health services.

3. RECOMMENDATIONS

- 3.1 Members note the progress being made on service choices through the Project Board and Members Seminar. Members further note that feedback results from the Members Seminar will be considered by the Project Board with proposals on service targets being brought back to the Policy and Resources Committee on 20 August 2015.
- 3.2 Members agree that Social Work Services be subject to an integrated approach with further work required to set targets over the 3 year Strategic Plan.

4. DETAIL

4.1 Background

4.1.1 A report was presented to Policy and Resources Committee on 2 April which outlined the approach to Service Choices. Each Service package was considered as to whether the service could be stopped or reduced or whether it needed to be maintained or increased.

4.1.2 The Committee agreed to note the approach and a Project Board was established to take forward Service Choices. The following was agreed:

“ 1. To note the recommendations contained in the report by the Interim Head of Strategic Finance.

2. To establish a Project Board, consisting of 12 Members, to identify options for taking forward Service Choices, the Project Board to comprise 12 Members, 8 Administration and 4 Opposition, the Chair of the Project Board to be Leader of the Council and with the Trade Unions being invited to nominate 2 representatives on the Project Board

3. To amend the table at paragraph 4.4.1 of the report as follows:-

Key Decision	Date
Agree the overall approach to service choices	Special Policy and Resources Committee 2 April 2015
Set formal saving target and options for each service package prior to proceeding to the business planning	Special Policy and Resources Committee early June 2015
Recommend/agree detailed savings proposals to go out to consultation	Special Policy and Resources Committee/ Council – October 2015
Recommend/agree if there are any options that can be approved before February 2016	Special Policy and Resources Committee/Council – October 2015
Agree a 2 year budget for 2016/17 and 2017/18 and approve a medium term financial plan covering the period to 2020/21	Council meeting February 2016

4. That the Project Board established in terms of recommendation 2 above is tasked with producing options to be presented to a workshop for all Elected Members to consider

5. That the outcomes from the said workshop be reported to a special meeting of the Policy and Resources Committee in October 2015

6. That the special Policy and Resources Committee meeting in October 2015 make recommendations, to be considered at a special meeting of the Council, also to be held in October 2015 in respect of (a) detailed savings

proposals to go out to public consultation and (b) any savings options which could be approved before February 2016.”

- 4.1.3 It can be seen from the Key Decision box above that it was originally intended from the above for a June Policy and Resources meeting to set targets and options for service packages. However work has progressed through the Project Board meeting on two occasions to date and through the engagement of Members at the Seminar on 5 June. At the workshop, Members considered high level savings options for service packages that were previously marked for budget reductions at either 7%, if light touch, or between 20-25%. At the workshop, Members had the opportunity to indicate a level of preference for the savings options. This has now given constructive feedback which needs time to be considered. It is therefore proposed that the Project Board receives this feedback and that a further report be brought to this Committee on 20 August to set service targets. This will enable officers to work up detailed proposals for this Committee to receive in October and make recommendations to Council in respect of savings proposals to proceed to consultation stage. A suggested timeline is set out below at paragraph 4.4.

4.2 Integrated Health and Social Care

- 4.2.1 Social Work Services have been working on high level savings proposals. However, it is proposed that scope for greater efficiency would be enhanced by adopting an integrated approach to develop proposals; setting targets over the 3 year Strategic Plan from the perspective of aggregated funding from both Council and Health services.
- 4.2.2 There still needs to be a contribution of savings towards the Council's overall budget gap and it is recommended that a percentage reduction target on the Social Work budget is set for plans for the Integrated Joint Board. Further work will be required to develop the recommended target.

4.3 Budgets previously noted as outwith the scope of Service Choices

- 4.3.1 The Project Board considered the list of excluded budgets at their meeting on 28 April 2015. It is recommended that £28.8m remain outwith the scope of service choices, £16.8m remain under continued review, £6.4m brought back into service choices and £0.5m moved back into the General Fund. Appendix 1 provides an analysis of all services within the Councils net £244m budget on this basis.
- 4.3.2 The budgets outwith the scope of service choices include insurances, Joint Boards, loans charges, historic pensions, new schools running costs, utilities, pensionable pay, audit fee, bank charges and the Chord project team. It is considered that there is no flexibility to influence these costs. Also excluded is the corporate management costs and work is currently underway to look at the various strands impacting on this, for example, delivery of SOA, Health and Social Care and a separate report will be provided to Members in due course.

- 4.3.3 There are two service areas that will remain under continued review and these are the NPDO and surplus properties. Any identified savings would be fed back into service choices.
- 4.3.4 The budget for Elected Members will be brought back into service choices with a light touch 7% saving and also the Waste PPP, however, it is acknowledged that whilst there is scope to review the Waste PPP, it will take an extended period of time to produce any savings, therefore, this is in the “delay” category.
- 4.3.5 It was proposed that the £0.5m budget for Council Tax Empty Homes would be moved back to the centre to fund essential services. Members had previously agreed to use the resources raised from this area to be available to fund schemes determined by area committees.
- 4.3.6 The chart below illustrates the analysis of all services, including the previously excluded areas, which build up to the total revenue budget of £244.232m. A further detailed analysis is provided in Appendix 1. This also takes into consideration that Health and Social Care Integration Services are proposed to be dealt with differently as outlined in paragraph 4.2.

Transfer to General Fund	£0.5m
Outwith Scope	£28.8m
Maintain	£43.0m
Delay	£5.8m
Continued Review	£16.8m
Increase	£3.4m
Reduce by 7%	£25.0m
Reduce by 20-25%	£64.7m
Health and Social Care Integration	£56.2m
TOTAL	244.2m

4.4 Timeline

- 4.4.1 There are a number of key dates and decision points for Service Choices over the next year and these are summarised in the table below.

Date	Event	Purpose
22 June	Special P&R Committee	Note progress and agree next steps
June - Sep	Project Board	Ongoing work
August	Members' workshop	To review progress
20 August	P&R Committee	Consider proposals on service targets
Late September	Members' workshop	Consider detailed proposals
8 October	Special P&R Committee	Make recommendations to Council on options to go to consultation
22 Oct	Special Council	Decide on options to go to consultation
Oct – Dec	Consultation	Seek views on savings options
January	Special P&R Committee	Receive consultation feedback and recommend proposals to Council
11 Feb 2016	Council	Determine the budget

5. CONCLUSION

- 5.1 Progress is being made through the Project Board and Members have been engaged in a Workshop on 5 June which will be used to inform ongoing work. Proposals for service savings targets are to be brought back to this Committee on 20 August.

5.2 It is considered that there will be greater scope for efficiency savings from social work services by adopting an integrated approach to develop plans. A target percentage reduction would be identified over the three year Strategic Plan. Further work is required to establish the target level.

6. IMPLICATIONS

6.1 Policy – None from this report but service choices will determine policy in a number of service areas.

6.2 Financial – Supports balancing the budget over 2016-17 and 2017-18.

6.3 Legal – None at this stage.

6.4 HR – None at this stage but service choices will likely have an impact on staff.

6.5 Equalities – None at this stage but savings proposals will need to consider equalities.

6.6 Risk - None at this stage but savings proposals will need to consider risk.

6.7 Customer Service – None at this stage but savings proposals will need to consider customer service.

Policy Lead for Finance: Councillor Dick Walsh

Steve Barrett
Interim Head of Strategic Finance
10 June 2015

Attachments:

Appendix 1 – Summary of £244m net revenue budget-Service analysis