

SERVICE CHOICES

1 INTRODUCTION

- 1.1 Service choices would be an approach that adopted a longer term structured means to identifying members priorities in terms of services and the changes to budget as a result of that. It would be carried out in the context of the overall budgetary outlook. Members would be involved at the stages where decisions are required which would be around initial option identification (initial selection of budget reductions); options review (feedback on implications and confirmation of agreed option); business planning (sign off of the business plan [service, asset, HR and financial plan] for the revised service) and implementation. This approach would need a significant level of communications and involvement activity.

2 RECOMMENDATIONS

- 2.1 The recommendations in relation to service choices are set out in the covering report as part of a consolidated set of recommendations.

3 DETAIL**3.1 Background**

- 3.1.1 Previous reports highlight the challenging budgetary outlook and also set out proposals on developing approaches to deliver on the SOA and support economic growth. This will require the Council to consider not only how it manages to contain expenditure within the funding it has available but also how it aligns expenditure with priorities. This is best achieved through a structured approach that takes a medium to longer term view rather than an annual incremental approach to budgeting.
- 3.1.2 The Council cannot simply replicate the service review process which was effective in delivering savings over 2011 to 2014. The service review process reduced budgets by between 15% and 20% for most services. This along with budget savings for 2014-15 and 2015-16 has eliminated most of the savings that officers can identify without significant political or policy implications. In considering further savings it is important that these budget reductions are driven by aligning budget with priorities. This report sets out proposals for a process to be known as service choices.

3.2 **Outline of approach**

3.2.1 A 4 stage approach to service choices is proposed. Members would have decisions to make in relation to the first 3 stages and a role in monitoring implementation at stage 4. The 4 stages are:

- Initial options identification
- Options review
- Business planning
- Implementation

3.2.2 The process would be based on service packages. A service package would be a unit of service delivery that in the main is lower than head of service level but is self contained and well understood/recognised. Service packages need to be at a level where it is possible to capture the purpose, function, contribution to priorities and key issues around budget and staffing etc on a single side of A4. However we need to avoid having too many service packages or service packages that are so small it is difficult to relate them to Council priorities and they are not material in terms of operations and budget. Most service packages will be based around the business area of a third tier manager although there may be some which are at a "lower" level, are split differently or allow choices to be made for different aspects of service within a service package.

3.3 **Initial options identification - Dec 2014 to April 2015**

3.3.1 This will be based on a single page template for each service package. The template will include the following information summarised in a few sentences for each category and based on the service "as is" the purpose of the service package; how it contributes to the SOA and service outcomes; information around key risks in the strategic or operational risk register; issues in relation to third sector; key assets and budget. The template will also give a split of the budget where it is necessary to split the service package to a lower level. Finally the template will have the option of a range of potential budget changes for each service package and members will be asked to agree an initial budget change for each service package. This is the initial options identification.

3.3.2 Over the January to February 2015 period the consultation process will invite views on high level priorities. The outcome of this will be reported back to members at the same time as the service package templates. Members will have the feedback on high level priorities when they make their initial options identification.

3.3.3 An additional meeting of Policy and Resources Committee will be required to consider the high level feedback from the phase 1 consultation, the service package templates and the initial options identification. This meeting will be late March or early April 2015. At this meeting members will be asked to select a change in budget for

each service package. It is proposed that a members seminar is held prior to the meeting.

3.4 Options review - April 2015 to June 2015

3.4.1 Officers will prepare a further template again restricted to a side of A4 which will set out the high level implications of the initial budget changes selected at the special meeting of Policy and Resources in late March/early April 2015. This template will set out the estimated high level implications of the proposed budget change in terms of impact on SOA and service outcomes, performance targets, staffing level, assets, third sector partners and budget etc. A special Policy and Resources Committee will be required in late May/early June 2015 to consider the templates. This stage allows members to confirm their position on the proposed budget changes before proceeding to the business planning stage. It is a double check to ensure officers focus their attention on developing proposals that are in line with members budget priorities.

3.5 Business planning - June 2015 to March 2016

- 3.5.1 There will be 5 elements within the business planning stage:
- Development of detailed savings proposals over June to September/October 2015 which would include staff engagement.
 - Consideration of the detailed savings proposals by members during October 2015 prior to public consultation.
 - Public consultation on detailed savings proposals over November to December 2015.
 - Preparation of detailed service plans, asset management plans, HR/staffing plans and revenue and capital budgets for a 5 year period by December 2015.
 - Consideration of savings proposals; feedback from public consultation and draft service plans, asset management plans, HR/staffing plans and revenue and capital budgets over January to February 2016.
- 3.5.2 Implementation plans will also be prepared at this stage that set out what needs to happen and when to allow the proposals to be implemented. Some aspects may be capable of implementation with immediate effect while others may have a significant lead in. These will include consideration of any further service specific engagement and whether that needs to take place at business planning stage or implementation stage.
- 3.5.3 It is envisaged most of the work will be carried out by the end of December 2015 allowing the period to March 2016 for review and scrutiny of the business plans and implementation plans. This timescale allows decisions to be taken and implementation plans agreed prior to the start of 2016-17 financial year.

3.5.4 The documentation for this stage will be developed over the course of the next 4 months.

3.6 Implementation

3.6.1 Significant changes are likely to arise as a result of service choices. Service choices seeks to address the budgetary outlook over a 5 year period. Not all of the changes arising from service choices will be capable of or need to be implemented immediately. There may be a range of statutory or non statutory consultation and engagement activity that needs to take place during or prior to implementation. The development of implementation plans at the planning stage is to allow the Council to plan implementation over a reasonable timescale taking account of the need for statutory or non statutory consultation and engagement activity and overall budgetary outlook.

3.6.2 There will be arrangements in place to ensure that highlight and exception reports are made available to members to allow them to monitor progress on implementation.

3.6.3 Following implementation normal performance reporting would track performance against the revised targets and objectives. Annual reviews would allow trends and year to year progress/performance to be tracked and any changes for adjustments to service plans and budgets etc to be identified and factored in.

3.7 Next steps

3.7.1 If members approve the proposals for service choices then officers will move to develop the necessary guidance, instructions and templates.

- As the initial options identification is due to be considered by members in late March/early April the templates and related guidance notes will be prepared as soon as possible to allow work on this stage to commence.
- The options review stage is due for consideration by members in late May/early June 2015 and the guidance notes and templates for options review will be drafted over the next few months so they are available to allow work on options review to commence immediately the initial options identification is complete.
- The business planning stage commences at end of June 2015 and the guidance and templates for the business planning and implementation stages will be developed prior to the start of this stage.

4 CONCLUSION

4.1 A structured approach to aligning budget with Council priorities is essential if the Council is to address the challenge of the budgetary

outlook and delivering on the SOA. The proposals around service choices set out in this report would allow members to identify initial options on changes to budget, review them based on consultation feedback and templates setting out implications before proceeding to detailed planning and implementation.

5. IMPLICATIONS

- 5.1 Policy – None at this stage but completion of service choices would determine policy in a number of service areas.
- 5.2 Financial – Will support balancing of budget over medium term.
- 5.3 Legal – None at this stage.
- 5.4 HR – None at this stage but changing budget allocations will likely have an impact on staff.
- 5.5 Equalities - None at this stage but equalities issues will need to be considered throughout the future stages of service choices.
- 5.6 Risk – Risks would be identified at each stage in the process.
- 5.7 Customer Service – None at this stage.

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