

Feedback from the Chair of Adult Social Care Committee to Policy and Resources Committee

Background

During October, Committees have all received and considered papers on strategic and financial planning which include proposals to meet the predicted budget shortfall for 2015/16, and contribute to the shortfall in the two subsequent years (2016/17 and 2017/18).

Due to the timing of the meetings, the outcome of all those discussions could not be reflected in papers for Policy and Resources Committee, so Chairs have agreed to attend the meeting and update on their position.

This paper highlights the main issues from the **Adult Social Care Committee**.

Proposals for savings

Adult Social Care Committee identified savings to the value of £1.595m for 2015-16 as set out in Appendix A of the main report to the Committee.

The specific savings proposals are:

- To reallocate the annual £1m rebate provided by Norse Care from the Adult Social Care Residential Care Reserve (capital) to the revenue budget (£1.000m)
- Improving the procurement and commissioning of transport to Day Care facilities. The proposal will enable existing community based transport to be paid for from Personal Budgets by service users with reduced or no subsidy from the Council (£0.100m)
- Improving the management of residential care commissioning through increased block contracting and the management of vacancies (£0.100m)

This also includes an £0.395m saving as the Committee's share of the additional £1.7m savings required for 2015-16. This will be found as part of a redesign of the way Adult Social Care packages are arranged and managed for people with particularly high-cost care packages. This work will form part of a longer-term examination and redesign of the whole Adult Social Care 'pathway' to deliver further savings in future years.

Particular issues and risks considered by the Committee

The Committee's discussions focused mainly on the following areas:

- A general concern that demand for services in the short term (as highlighted by the current anticipated overspend) and in the longer term (driven by demographic growth) requires a more radical whole-Council strategy.
- A feeling that the Council's whole model requires a greater investment in preventative services to stop or delay people needing expensive residential and nursing care provision.
- A specific concern about the reallocation of the Norse rebate. Members highlighted other examples of where capital funds have temporarily been moved into revenue budgets, and have not been moved back. Some members argued that the proposal should be

accepted given the lack of alternatives; some felt that the saving should be made elsewhere (no specific alternatives were identified); and an alternative approach was proposed that suggested that the £1m be spent on an 'invest-to-save' project, with any savings being returned to the capital budget.

The Committee RESOLVED to:

- a) Endorsed the schedule of savings set out in Appendix A
- b) Recommend the individual savings as set out in Appendix A
- c) Note any risks set out in section 7.1 relating to savings already consulted and agreed upon.
- d) Review arrangements to ensure tight control on revenue budgets and highlight any issues or risks to policy and Resources Committee.
- e) Ask the Policy and Resources Committee to take a corporate approach to the Council's budget to ensure that resources are directed to the demand led services that are need by the community of Norfolk.

Feedback from the Chair of Children's Services to Policy and Resources Committee

Background

During October, Committees have all received and considered papers on strategic and financial planning which include proposals to meet the predicted budget shortfall for 2015/16, and contribute to the shortfall in the two subsequent years (2016/17 and 2017/18).

Due to the timing of the meetings, the outcome of all those discussions could not be reflected in papers for Policy and Resources Committee, so Chairs have agreed to attend the meeting and update on their position.

This paper highlights the main issues from the **Children's Committee**.

Proposals for savings

Children's Services committee had identified savings to the value of £1.337m. These are set out in Appendix A of the main report to the Committee.

The Director of Children's Services reported that the additional £310,000 required would be found from further management savings.

Particular issues and risks considered by the Committee

The Committee was concerned about the implementation of savings from Post-16 transport. This had already been consulted on and agreed as part of the Putting People First consultation and was agreed by Full Council in February 2014. If the implementation were not to go ahead, then alternative savings would need to be found from the Children's Services budget.

It was acknowledged that Children's Services was currently overspending in three areas and whilst appropriate management was in place to contain the overspend, it remained a risk.

Although there was now 1107 children in care and this remained a concern, a clear LAC Strategy and a clear performance framework would be rolled out in the near future which was designed to deliver a reduction in the number of children in care.

The Committee RESOLVED to:

1. Endorse the schedule of additional savings set out in Appendix A of the report as a basis for further research and discussion
2. Note the risks set out in section 2.5 of the report relating to savings already consulted and agreed upon (Post 16 transport)
3. Review arrangements to ensure tight control on revenue budgets, highlight any issues or risks to Policy and Resources Committee and seek further opportunities for further income.

Feedback from the Chair of Communities Committee to Policy and Resources Committee

Background

During October, Committees have all received and considered papers on strategic and financial planning which include proposals to meet the predicted budget shortfall for 2015/16, and contribute to the shortfall in the two subsequent years (2016/17 and 2017/18).

Due to the timing of the meetings, the outcome of all those discussions could not be reflected in papers for Policy and Resources Committee, so Chairs have agreed to attend the meeting and update on their position.

This paper highlights the main issues from the **Communities Committee**.

Proposals for savings

Communities Services Committee identified savings of £897,000 as set out in Appendix A of the main report to Policy and Resources.

At the Committee meeting, chief officers also confirmed that the £50,000 saving from CMM008 – reduce the Healthwatch Norfolk budget – could be moved forwards to 2015/16 to make savings in 2015/16 of £947,000.

At the Communities Committee meeting, the Head of Cultural Services also confirmed that all of the £88,000 savings for CMM002 – Museum service reduction in staff (£50,000) and income generation (£38,000) – would be made in 2015/16 (previously it had been suggested that £10,000 of the total £88,000 would come out in 2016/17).

Additional departmental savings of £105,000 for Cultural Services and £95,000 for Norfolk Fire and Rescue Service were confirmed.

Norfolk Fire and Rescue Service – additional savings target £95,000

The additional savings will be made through the annual priority based budgeting process, scheduled to complete in December. Savings are likely to be found from efficiencies in procurement/finance and asset management, opportunities for offsetting costs, sharing assets and income generation. The service does not anticipate these savings will have an impact on front-line service delivery.

Cultural Services - additional savings target £105,000

The additional savings will be made through:

- £67,000 further reduction in arts grants - making £150,000 in total from the arts service.
- £6,000 reduction from the Norfolk Record office through further reductions in document purchases and supplies
- £12,000 reduction in Library Management System running costs
- £20,000 further reduction in library staffing

Particular issues and risks considered by the Committee

- The Committee considered the potential risks put forward by the Chief Fire Officer associated with making savings alongside existing pressures in the NFRS budget. These risks relate to the service's ability to make more savings on top of those already underway through existing programmes and projects whose successful delivery requires key staff skills, which are already stretched. Making additional £95,000 savings increases the risk of not delivering on existing savings schemes. The committee heard that the additional £95,000 savings could be made without a significant impact on frontline services and would therefore not require consultation with the public. The Chief Fire Officer did, however, highlight that any future substantial cuts could lead to changes that would impact on frontline services.
- The Communities Committee were keen to see branch and mobile library services continuing and sought assurances about these – especially the mobile service. The committee has on its forward plan a formal review of the library service.

The Committee **RESOLVED** to:

1. Endorse the schedule of additional savings set out in Appendix A for consultation purposes
2. Accept the individual savings as set out in the schedule, recognising that more work is required
3. Note any risks set out in section 2.5 relating to savings already consulted and agreed upon
4. Review arrangements to ensure tight control on revenue budgets, highlight any issues or risks to Policy and Resources Committee and seek further opportunities for further income.

Feedback from the Chair of EDT Committee to Policy and Resources Committee

Background

During October, Committees have all received and considered papers on strategic and financial planning which include proposals to meet the predicted budget shortfall for 2015/16, and contribute to the shortfall in the two subsequent years (2016/17 and 2017/18).

Due to the timing of the meetings, the outcome of all those discussions could not be reflected in papers for Policy and Resources Committee, so Chairs have agreed to attend the meeting and update on their position.

This paper highlights the main issues from the **Environment Development & Transport Committee**.

Proposals for savings

EDT Committee identified savings to the value of £3.255m. These are set out in Appendix A of the main report to Policy and Resources.

The Director of ETD reported that the additional £385,000 required would be found from Highways maintenance:

As part of the 2014/15 savings highways maintenance had contributed £1m of one off savings which were due to be returned to the service within 2015/16. The Director proposed that £615,000 would be returned to the service and that a permanent saving of £385,000 was made from Highways maintenance.

Particular issues and risks considered by the Committee

The Committee considered the risks around delivering the saving from Highways maintenance and the implications that this may have on Highway condition.

An alternative proposal to fund the additional saving from reserves was discussed and officers advised members that this was not a sustainable option as we are looking for permanent savings and the use of reserves would be a one off saving.

No alternatives were put forward at the meeting, however subsequent to the meeting Ian Mackie, on behalf of the County Farms Board, had identified savings to the value of £385,000 that could be made from the County Farms estate and proposed to use this to replace the previous identified saving from Highways maintenance.

The Committee RESOLVED to:

1. Endorse the schedule of additional savings set out in Appendix A of the report with the exception of £385k (share of £1.7 additional savings 2015-16)
2. Recommend the individual savings as set out in the schedule, including the £385k (share of £1.7 additional savings 2015-16)
3. Note the risks set out in section 2.5 relating to savings already consulted and agreed upon

4. Review arrangements to ensure tight control on revenue budgets and highlight any issues or risks to Policy and Resources Committee

Policy and Resources Committee 27th October 2014
Item 9 - Strategic and Financial Planning 2015/18

**Full list of savings for consideration by Policy and Resources following
October Service Committee discussions**

Budget Savings 2015-18 Children's Committee		2015-16	2016-17	2017-18
		£m	£m	£m
CHL001	Reduced management and commissioning structures	-0.090	0.090	
CHL003	Reduced retirement costs for teachers	-0.400	0.400	
CHL004	Continued use of public transport within Looked After Children service	-0.190		
CHL005	Reduce subsidy on community use of school premises	-0.097		
CHL006	Reducing legal costs for Looked After Children	-0.430		
CHL007	End of ground maintenance contract for trees in schools	-0.130		
CHL008	Savings in management costs in children's services	-0.310		
	Total Savings	-1.647	0.490	0.000

Budget Savings 2015-18 Environment Development and Transport Committee		2015-16	2016-17	2017-18
		£m	£m	£m
EDT001	Management of Vacancies	-0.005		
EDT002	Review of on call arrangements with NFRS	-0.005		
EDT003	Reduce training budget	-0.025		
EDT004	Reviewing all of our back office budget and systems to identify savings, e.g. process reviews, without reducing our services	-0.566		
EDT005	Introduce LED street lighting	-0.250	-0.750	
EDT006	Centralise control of software licences	-0.250		
EDT007	Revenue benefit of 'surrendering' various reserves	-0.500		
EDT008	Retendering of waste disposal contracts	-0.834		
EDT009	Re-tendering of transport contracts	-0.370		
EDT010	Highways Income	-0.200		
EDT011	Norfolk Energy Futures return on Investment	-0.050		
EDT012	Savings from new recycling contract	-0.200		
EDT013	Highways maintenance	-0.385		
	Total Savings	-3.640	-0.750	0.000

Budget Savings 2015-18 Communities Committee		2015-16 £m	2016-17 £m	2017-18 £m
CMM001	Review staffing of the library service	-0.080		
CMM002	Museum service reduction in staff (£50,000) and income generation	-0.078	-0.010	
CMM003	Service reviews and management savings in Customer Services	-0.090		
CMM004	One-off sale of some antiquarian and collectable books that do not relate to Norfolk or its history	-0.100		0.100
CMM005	Reduced spend on equipment and conservation materials for Record Office	-0.032		
CMM006	Arts - reduction of arts services and grants	-0.150		
CMM007	Income generation and efficiency savings for other NCC services	-0.450		
CMM008	Reduce Healthwatch budget	-0.050		
CMM009	Reduction in Library Management System costs	-0.012		
CMM010	Fire & Resue Service savings generated through Priority Based Budgeting exercise - focussed on procurement efficiencies and asset management	-0.095		
	Total Savings	-1.137	-0.010	0.100

Budget Savings 2015-18 Adult Social Care Committee		2015-16 £m	2016-17 £m	2017-18 £m
ASC001	Residential care. Process improvements for more effective management of residential care beds	-0.100		
ASC002	Redesign ASC pathway. Work with HP and procurement on areas of the pathway to drive out further efficiencies	-0.395	-1.500	
ASC003	Service users to pay for transport out of personal budgets, reducing any subsidy paid by the Council	-0.100	-0.900	-0.800
ASC004	Norse care rebate. The proposal is for the rebate to be allocated to the Adult Social Care revenue budget on an ongoing basis, rather than to the ASC Residential Care Reserve as previously.	-1.000		
	Total Savings	-1.595	-2.400	-0.800

Budget Savings 2015-18		2015-16	2016-17	2017-18
Policy and Resources Committee		£m	£m	£m
P&R001	Rationalise procurement functions across the organisation	-0.060		
P&R002	Service review Communications	-0.060		
P&R003	Change to procurement management team (brought forward from 2016/17)	-0.050		
P&R004	Accelerate "self service" for employees/mgrs - HR/Finance/ICT		-0.100	
P&R005	Automate more information and performance reports		-0.050	
P&R006	Further savings target for review of shared services organisation	-0.100		
P&R007	Reduce management hierarchies in Finance	-0.100		
P&R008	Staff savings from committee management system	-0.020		
P&R010	Reduced consultation budget	-0.020		
P&R011	Review mail operations	-0.060	-0.065	
P&R012	Introduce a telephone expenses management system and rationalise phone lines and mobile phones	-0.050		
P&R013	Reduce the Chairman's budget	-0.030		
P&R014	Courier savings	-0.030	-0.030	
P&R015	Review VAT payments made in recent years and seek to reclaim any overspend	-0.100		
P&R016	Switch off colour printing for Shared Services staff	-0.020		
P&R017	Further reductions in printing spend	-0.090		
P&R018	Org Change: Reduced ICT spend through device convergence		-0.625	
P&R019	Reduce expenditure on external venues	-0.100		
P&R020	Reduce number of interims and temps	-0.090		
P&R021	Pay per use ERP			-0.100
P&R022	New Multi Functional Devices contract 2016		-0.070	
P&R023	Optimise car leasing and reduce mileage	-0.300		
P&R024	Rationalise applications and centralise all applications spend		-0.100	
P&R025	Corporate Banking project - move to Barclays			-0.035
P&R026	Org change: Collaborative working with others (shared services)			-2.000
P&R027	Reduce property costs through reducing area occupied and reducing cost per square metre	-1.000	-1.000	-3.000
P&R028	Stop all trading that doesn't cover costs or bring in higher revenue		-0.050	
P&R029	Increased income through advertising	-0.050		
P&R030	Corporate approach to sponsorship & advertising		-0.100	
P&R031	Portal for "Norfolk Weddings" registrars additional income		-0.025	
P&R032	Increased rebate from the Eastern Shires Purchasing Organisation	-0.100		
P&R033	Interest rate increases	-0.860	-0.990	
P&R034	Growth in Business Rates within Norfolk, increasing our 20% share of distributed funding	-1.194		
P&R035	Council Tax surplus / increased tax base			-1.555
	Newly identified Savings	-4.484	-3.205	-6.690
	Share of £1.7m additional savings 2015-16 (Resources)	-0.320		
	Share of £1.7m additional savings 2015-16 (Finance General)	-0.085		
	Total Savings	-4.889	-3.205	-6.690

	2015-16	2016-17	2017-18
	£m	£m	£m
Total Budget Savings 2015-18	-12.908	-5.875	-7.390