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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>18 November 2014</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>2014/P&amp;R/AP/19</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>2015/17 Revenue Budget - Update</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to provide Committee with an update on the 2015/17 Revenue Budget and to advise Committee of the £10million savings options produced by the Corporate Management Team which are recommended for wider consultation.

## **2.0 SUMMARY**

- 2.1 On 30 September 2014, the Policy & Resources Committee approved a Revenue Budget Strategy on the basis of an estimated £7million funding shortfall over the period 2015/17. It was agreed as part of this strategy that Officers would bring back £10million of savings options for Members to consider prior to commencing a period of consultation.
- 2.2 On 9 October 2014, the Cabinet Secretary for Finance and Sustainable Growth, John Swinney, announced details of the 2015/16 Revenue Budget Settlement for local authorities. Appendix 1 is the letter Mr Swinney sent to the Leader of CoSLA and it contains a number of conditions linked to Councils receiving the full revenue settlement. Specifically, it confirms that the Council Tax freeze is to continue for 2015/16 as is the need to secure a place for all probationary teachers who require one under the Teachers Induction Scheme. It should be noted that the teacher numbers condition which has been in place for a number of years has been temporarily suspended pending discussions between local authorities, the Government and other interested groups.
- 2.3 As approved at the 30 September Policy & Resources Committee, the Corporate Management Team have produced a list of possible savings which are estimated to generate approximately £10million of savings by 2016/17. These savings have been grouped together and summarised over five corporate themes, and are contained in Appendix 2. If approved by Committee, the next step would be to enter into detailed consultation with those employee groups potentially impacted and also use Appendix 2 as a key part of the budget consultation exercise approved at the 30 September meeting.
- 2.4 Paragraph 6.6 highlights the main areas of remaining uncertainty about the 2016/17 budgetary position. This uncertainty needs to be borne in mind when considering the savings proposals in Appendix 2.
- 2.5 It is estimated that the Council's General Fund Reserve will be £6.8million as at 31 March 2016 on the basis of the assumptions in the approved Budget Strategy. This is £3.0million in excess of the recommended level of General Fund Reserves and it is proposed that decisions in respect of the free General Fund Reserves be taken as part of the overall budget in February 2015.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee note the contents of the letter from the Cabinet Secretary, John Swinney, and note that a decision on whether to comply with these conditions will be required as part of the consideration of the overall budget in February 2015.
- 3.2 It is recommended that the Committee consider the savings proposals in Appendix 2 produced by the Corporate Management Team and agree that these savings form part of the overall budget consultation exercise which is due to commence later this month.
- 3.3 It is recommended that the Committee note that targeted voluntary severance trawls will take place, where required, in order to deliver the approved savings.
- 3.4 It is recommended that the Committee agree that any decisions in respect of the surplus General Fund Reserves projected as at 31 March 2016 be taken as part of the overall budget decision in February 2015.

**Alan Puckrin**  
**Chief Financial Officer**

## **4.0 BACKGROUND**

- 4.1 The Policy & Resources Committee agreed a Revenue Budget Strategy for the period 2015/17 on 30 September 2014. Based on a number of assumptions around future Grant Settlements, pay awards and budget pressures, it was estimated that the Council faces a potential funding gap of £7million by 2016/17.
- 4.2 In light of the extent of this potential funding gap, it was agreed that the Corporate Management Team should report back to this Policy & Resources Committee with £10million of options for Members to consider prior to engaging in a wide consultation exercise.
- 4.3 There are other reports elsewhere on this agenda relating to other aspects of the budget including the 2015/18 Draft Capital Programme, Revenue Budget pressures and the Corporate Charging Workstream.

## **5.0 2015/16 REVENUE GRANT SETTLEMENT**

- 5.1 On 9 October, the 2015/16 budget was discussed in the Scottish Parliament and on that day the Cabinet Secretary for Finance and Sustainable Growth, John Swinney, wrote to the Leader of CoSLA outlining the terms of the 2015/16 Government Grant to local authorities. The letter is attached as Appendix 1.
- 5.2 As has been the case for the last eight years, conditions were attached to local authorities receiving the full level of grant in 2015/16. These conditions were that, in order to receive the full level of grant, local authorities require to freeze their Council Tax for the eighth year in a row. In addition, local authorities are required to secure a place for all probationers who require one under the Teachers Induction Scheme.
- 5.3 Failure to agree to these conditions will result in Councils not receiving their share of the £70million Council Tax Freeze Grant which forms part of the overall settlement. For Inverclyde Council it is estimated that this would remove approximately £1.01million from the overall Grant Settlement which equates to an approximate 3.0% Council Tax increase.
- 5.4 The letter also confirms that the requirement to maintain teacher numbers has been temporarily suspended pending the outcome of detailed negotiations between Councils and the Government regarding the production of national outcomes for teaching. Phase 1 of this exercise is due to complete by 1 March and if sufficient progress is not deemed to have been made then the requirement for Councils to maintain teacher numbers is likely to be reinstated. This needs to be borne in mind when considering any potential savings around teacher numbers.
- 5.5 The letter also details a large number of funding streams, some of which have not yet been distributed to the Council. Officers have examined this list and would confirm there is nothing on this list of which they were not aware and this should have no net overall impact on the savings gap of £7million previously reported.
- 5.6 Finally, the Committee is asked to note that it is not expected that Council's share of the overall Revenue Grant will be confirmed until December.

## **6.0 SAVINGS OPTIONS**

- 6.1 As was reported at the last Policy & Resources Committee, the Corporate Management Team have been working on a list of potential savings totalling £10million, these savings to be achieved by 2016/17. The Corporate Management Team agreed the distribution of these savings in line with that reported to the 30 September Policy & Resources Committee, namely:

- |   |               |
|---|---------------|
| • Environment, Regeneration & Resources | £1.944million |
| • Education, Communities & OD           | £5.203        |
| • CHCP                                  | <u>£2.853</u> |
|   | £10.0million  |

6.2 Following the production of long lists, each Directorate went through a Support and Challenge process with the Corporate Management Team and thereafter Directorates have been refining savings options and these are now presented to Committee today.

6.3 There are one hundred and ten detailed savings across the three Directorates, plus one corporate saving proposed an increase in employee turnover savings. These one hundred and eleven savings have thereafter been distilled into twenty six summary savings where similar savings within a Directorate have been grouped together. Thereafter these Savings Summary Sheets have been grouped in line with five corporate themes namely –

- a) Efficiency
- b) Delivery Models
- c) Service Redesign
- d) Income & Charges
- e) Reduced Service Provision

Appendix 2 contains the twenty six Savings Summary Sheets and an analysis of how the £10million is split up over the five corporate themes.

6.4 Committee is asked to note that there are Detailed Sheets for each of the one hundred and ten savings and these will be available for discussion over coming weeks as Members consider options to balance the 2015/17 Revenue Budget.

6.5 Subject to Committee approval that the £10million savings can go forward for consultation, it would be the intention of the Corporate Management Team to engage with the Trade Unions and those employee groups potentially impacted by the savings. This consultation is in addition to the previously approved extensive external consultation exercise.

6.6 It should be noted that there remains a degree of uncertainty of the 2016/17 financial position due to a number of factors including the pay award for 2016/17, the Scottish Block Grant from Westminster not having been agreed and finally the Scottish Government not setting an indicative 2016/17 budget. It is unlikely that the 2016/17 Scottish Block Grant will be known until after the 2015 Autumn Statement and therefore it will be around November 2015 before this information is firmed up. As such it is important that the Committee understand that the £7.0 million savings gap estimated is likely to change.

## **7.0 GENERAL FUND RESERVES**

7.1 It is estimated that the General Fund Reserve balance as at 31 March 2016 will be £6.8million on the basis that the assumptions in the Budget Strategy come to fruition. This is £3.0million in excess of the recommended minimum level of General Fund Reserve.

7.2 It is proposed that Members agree the use of the £3.0million free reserves as part of the overall budget decision in February 2015.

## **8.0 IMPLICATIONS**

### **Finance**

8.1 Based on the latest information available it is estimated that the Council will need to fund approximately £7.0million in revenue savings by 2016/17 to fully close the estimated budget gap.

### Financial Implications:

#### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Reserves	General Fund	By 2016/17	3000		Projected Free Reserves as at 31.3.16 based on the latest information

#### Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
Various	Various	2016/17	(7000)		Estimated Savings Required by 2016/17

### **Legal**

- 8.2 All savings will be reviewed in detail to ensure the Council can continue to deliver services within their statutory obligations.

### **Human Resources**

- 8.3 Implementation of the £7m of savings will result in changes to the shape and size of the workforce. Supporting and developing people through a period of change and innovation will be a major priority and as outlined in the report, a number of the proposals will involve the voluntary release of a number of staff across a range of service areas. Active and ongoing consultation and engagement will be maintained throughout the process with Trade Union and relevant workforce groups. The Council has a Redundancy Policy, however as has been the case in previous years, a key objective is to avoid the need for compulsory redundancies, if at all possible.

### **Equalities**

- 8.4 Individual Equality Impact Assessments are ongoing for each of the detailed savings which require one. These will be completed by February 2015.

### **Repopulation**

- 8.5 Budget reduction of this scale will undoubtedly impact on some of the services offered by the Council and the impact of these savings on the repopulation agenda will form part of their consideration.

## **9.0 CONSULTATIONS**

- 9.1 The Corporate Management Team have had initial discussions with the Trade Unions via the Joint Budget Group regarding the long list of savings and these discussions will continue in the period up to the consideration of the 2015/17 budget.
- 9.2 Consultation with the community and stakeholders is due to commence later this month in line with the previously approved report.

## **10.0 BACKGROUND PAPERS**

- 10.1 Savings Detailed Sheets.

## APPENDIX 1

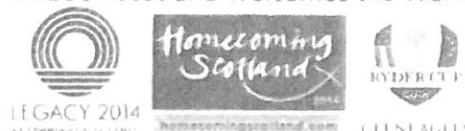
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In 2014 Scotland Welcomes the World



Copy to: The Leaders of all Scottish local authorities

9 October 2014

This letter sets out the terms of the local government finance settlement allocations to be provided to local government for 2015-16 as part of our continuing partnership negotiations and confirms a number of changes to the allocations that we have agreed since the indicative figures for 2015-16 were previously confirmed.

This settlement is set against the challenging fiscal environment and austerity measures set out by the current UK Government in their budget projections, which are set to continue in the coming years. Over the course of 2010-11 to 2015-16, the Scottish Government's Fiscal DEL Budget has been cut by around 10% in real terms with the Capital budget facing a particularly challenging real terms reduction of around 26% over the same period.

Despite that the terms of this offer on the funding package to be provided to local government represent a very fair settlement and delivers on this Government's priority to continue to protect Scottish local authorities from the cuts imposed on the Scottish budget. This is in stark contrast to the swingeing cuts the UK Government has applied to local authority funding in England.

Local government is an integral and essential element of the overall good governance of Scotland and continues to be a critical partner in the Scottish Government's transformative programme of public service reform. This funding package builds on the priorities laid out in the Scottish Spending Review 2011 and the Draft Budget 2014-15 and continues to be focussed on delivery of our joint priorities of growing the economy together with protecting front-line services and the most vulnerable in our society. COSLA is invited to agree the terms of the settlement set out below on behalf of local authorities.

For 2015-16, in addition to the pursuit of our joint priorities, individual local authorities, in return for this settlement will require to agree formally to work with the Scottish Government to deliver a council tax freeze for the eighth consecutive year and secure places for all probationers who require one under the teacher induction scheme. The Scottish Government and COSLA have also agreed to:

- A five month timetable to reach an in-principle agreement on an outcomes based approach to educational outcomes subject to the completion of work which is satisfactory to both Scottish Government and Local Government. We would embark on this work immediately with the first phase to be completed by 1st March 2015. This process should be inclusive and engage other parties notably trade unions, parent bodies and others with an interest in educational outcomes. This approach would consider a broader range of indicators of educational improvement and should include teacher numbers as an important contributory factor.
- Commencing over the same five month period and in relation to 2015-16: if a local authority is able to reach agreement with partners through engagement mechanisms, including the LNCT, to introduce flexibilities which impacts on the numbers of teachers then this may be viewed as a derogation to the national commitment on teacher numbers.
- That the commitment to maintain teacher numbers in line with pupil numbers along with associated sanctions remain in place for 2014-15. While the work to reach an in-principle agreement (as above) is on-going, the sanctions in relation to teacher numbers are suspended for 2015-16. If a new agreement is not reached for 2015-16 there will be a continued Scottish Government commitment to maintain teacher numbers in line with pupil numbers at a national level.

The financial support to be distributed to authorities will be the subject of consultation with COSLA and set out in a Scottish Local Government Finance Circular early in December 2014. As in previous years, the Scottish Government will hold back £70m from the Local Government Finance Order put to Parliament in early February 2015, representing the amount that is included in the settlement to deliver the Council Tax Freeze. Parliamentary approval to pay out the remaining amount will be sought in March 2015 once all councils have set their budgets and their council tax rates for the year ahead.

Delivery of these commitments will be monitored and in the event of a failure to deliver, appropriate adjustments made to distributable resources as described below.

I can confirm that for 2015-16 I will only require those Council Leaders who do not intend to take up the offer and agree the full package of measures to write to me setting out the reasons why they do not wish to comply. Any Leader not intending to take up the offer should write to me confirming their Council's decision by no later than 11 March, but preferably by the end of February, (and ideally as soon as possible after they have set their budgets and announced their council tax rates for 2015-16). Any Council not taking up the offer will not receive their share of the monies held back to be distributed later in March 2015.

The total funding as set out in the Draft Budget 2015-16 document, including provision for the council tax freeze and the support for teacher employment, which the Scottish Government will provide to local government in 2015-16 is £10,756.7 million.

Within the total funding package, revenue funding will amount to £9,895.4 million,

including the funding to deliver a council tax freeze and capital £861.3m for 2015-16.

This total includes the Government's estimate of non domestic rate income over the period.

The 2015-16 total of £10,756.7 million includes a number of changes since the publication of the £10,608.2 million included in the 2014-15 Draft Budget. The additional sums are as follows:

- £54m for free school meals in General Revenue Grant (GRG);
- £44m for pre-school entitlement (GRG);
- £6.5m for the Council Tax Reduction Scheme administration costs (GRG);
- £39m for Children and Young People Act in General Capital Grant (GCG); and
- £5m for Shetland Islands Council to support future house building projects (GCG).

The cash neutral changes are as follows:

- £7m increase in GRG with a corresponding reduction in Specific Revenue Grants as a result of the re-classification of the Hostels Grant funding; and
- £83.5m increase in GRG with a corresponding reduction in Non Domestic Rates because of the impact of the cap on the 2014-15 poundage and further estimating changes.

There have also been changes to the published 2014-15 total funding figure of £10,531.4 million and the revised total is now £10,586.7 million. The changes are as follows:

- £13m for free school meals (GRG);
- £18.5m for pre-school entitlement (GRG);
- £0.3m for Blanefield contaminated land project (GRG); and
- £23.5m Children and Young People Act in General Capital Grant (GCG).

The only cash neutral change was as follows:

- £38.5m increase in GRG with a corresponding reduction in Non Domestic Rates because of the impact of the cap on the 2014-15 poundage.

It should be note that these published sums do not include a number of other agreed, or still to be finally agreed, sums that will be included in the final local government finance settlements for both 2014-15 and 2015-16 and added to the Draft Budget figures at either Autumn Budget Revision (ABR) or Spring Budget Revision (SBR). These additions include:

#### 2014-15

- £15m additional Discretionary Housing Payments (GRG);
- £5.1m for additional teacher support (National Qualifications) (GRG);
- £3m additional Family Support funding (GRG);
- £2m agreed as a result of the teacher pay agreement in 2014 which adds to the £39 million already included in the settlement (GRG);
- £24.8m for Free School Meals (GCG); and
- £17.5m top-up for the Children and Young People Act (GCG).



2015-16

- £38m for the Scottish Welfare Fund (GRG);
- £35m for the Discretionary Housing Payments (GRG); and
- £2m baselined agreed as a result of the teacher pay agreement in 2014 which adds to the £39 million already included in the settlement (GRG).

This settlement package for 2015-16, which funds councils to maintain the council tax freeze to households and provides additional resources to deliver our shared priorities around school education, free school meals and childcare, remains a fair settlement in the continuing challenging financial circumstances. The package continues to be focussed on delivery of our joint priorities of growing the Scottish economy and protecting front line services and the most vulnerable in our society, and supported by continued investment in prevention and wider reform actions.

**JOHN SWINNEY**

**2015/17**  
**Revenue Budget**  
**Savings**

## **2015/17 Revenue Budget Savings Options**

1. The Policy and Resources Committee remitted it to the Corporate Management Team to generate savings options which could be delivered by 2016/17 totalling £10 million.
2. These savings would then be considered by Members and widely consulted upon with all stake holder groups and the wider public. The intention there after being that Members would make decisions on setting a legally balanced budget on the 19<sup>th</sup> February 2015 for the period 2015/17.
3. The £10million savings target was allocated over the Councils three Directorates pro-rata to the net budget plus variable charging income. This resulted in savings targets for the three Directorates as follows:
  - a) Environment, Regeneration & Resources – £1.944 million
  - b) Education, Communities & Organisational Development – £5.203 million
  - c) Community Health & Care Partnership – £2.853 million
4. The following booklet contains the summary saving proposals agreed by the Corporate Management Team for Member consideration and wider consultation. The savings have been grouped into five areas as follows:
  - a) Efficiencies – These are savings where the Council can deliver the same outputs but for less money.
  - b) Delivery Models – These are savings where by the Council would engage with a third party to deliver Council services.
  - c) Service Redesign – These savings involve a fundamental review of an aspect of the Council's service delivery and will involve restructuring and changing the way that services are delivered.
  - d) Income and Charging – These are proposals where the Council generates income from either its own resources or for increasing its fees and charges to third parties and the public.
  - e) Reduced Service Provision – These are proposals which will have a direct impact on the internal and external services that the Council delivers.
5. The Policy & Resources Committee agreed a comprehensive consultation strategy at its meeting on the 30<sup>th</sup> September and following the Policy & Resources Committee meeting on the 18<sup>th</sup> November this will now commence. The consultation will take the form of community meetings, online questionnaires, consultation with the citizen's panel, comments received through the Council's website and consultation with the business community.

	Income & Charging		Service Redesign		Efficiency		Reduced Service Provision		Delivery Models	
	2015/16 £'000	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000	2016/17 £'000
<b>Education, Communities &amp; ODHR:</b>										
Income and Charging	0	170								
External Providers /Commissioning Arrangements										
Asset Management										
Administration / Clerical Reductions					52	108				
Management Restructures			75	292	0	990				
Efficiencies (Other)										
Reduced Service Provision							607	1,515		
Delivery Models									26	82
Service Redesign			818	2,046						
<b>Total</b>	<b>0</b>	<b>170</b>	<b>893</b>	<b>2,338</b>	<b>52</b>	<b>1,098</b>	<b>607</b>	<b>1,515</b>	<b>26</b>	<b>82</b>
<b>Environment, Regeneration &amp; Resources:</b>										
Income and Charging	200	520								
External Providers /Commissioning Arrangements							0	250		
Asset Management					0	225				
Administration / Clerical Reductions					0	89				
Management Restructures			0	325						
Efficiencies (Other)					30	165				
Reduced Service Provision							0	370		
<b>Total</b>	<b>200</b>	<b>520</b>	<b>0</b>	<b>325</b>	<b>30</b>	<b>479</b>	<b>0</b>	<b>620</b>	<b>0</b>	<b>0</b>
<b>CHCP:</b>										
External Providers /Commissioning Arrangements			0	692						
Administration / Clerical Reductions					0	185				
Management Restructures			0	16						
Efficiencies (Other)					81	316				
Reduced Service Provision							0	1,504		
Delivery Models									0	68
Service Redesign			0	72						
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>780</b>	<b>81</b>	<b>501</b>	<b>0</b>	<b>1,504</b>	<b>0</b>	<b>68</b>
<b>Corporate:</b>										
Efficiencies (Other)	0	0	0	0	550	550	0	0	0	0
<b>Overall Totals</b>	<b>200</b>	<b>690</b>	<b>893</b>	<b>3,443</b>	<b>713</b>	<b>2,628</b>	<b>607</b>	<b>3,639</b>	<b>26</b>	<b>150</b>

Summary	Saving Target		Over Achieved / (Shortfall)	
	2015/16 £'000	2016/17 £'000	2015/16 £'000	2016/17 £'000
Education, Communities & ODHR	0	5,203	1,578	0
Environment, Regeneration & Resources	0	1,944	230	0
CHCP	0	2,853	81	0
Corporate	0	0	550	550
<b>Total</b>	<b>0</b>	<b>10,000</b>	<b>2,439</b>	<b>550</b>

## Education, Communities & Organisational Development

**SAVING PROPOSAL – BUDGET 2015/17**

Directorate: Education, Communities and ODHR

Saving Category: Income and Charging

Saving Title: Income and Charging

	15/16	16/17	17/18
Saving £'000	0	170	170
FTE	0	0	0

Ref Number: ECOD\IC\F

Equalities Impact Assessment Required No

**Description:**

Propose to increase income through a number of routes:

- Charging all users for pitch hire (does not impact on charging policy).
- Charging for advertising and events sponsorship
- Increased Service Level Agreements for HR & Payroll Services.

**Risk Summary:**

Minimal risk anticipated.

**SAVING PROPOSAL – BUDGET 2015/17**

Directorate:	Education, Communities and ODHR
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Saving Category:	Efficiency
Saving Title:	Administration / Clerical Reductions

	15/16	16/17	17/18
Saving £'000	52	108	108
FTE	1	1	1

Ref Number:	ECOD\EFA
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Equalities Impact Assessment Required	No
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**Description:**

Saving will be achieved from a number of areas:

- A review of working time arrangements of non-teaching staff in schools.
- A review of resources within Administration/Clerical support in ODHR.

**Risk Summary:**

Low – Review of Admin / Clerical within ODHR  
Moderate – Converting to term time.

**SAVING PROPOSAL – BUDGET 2015/17**

Directorate: Education, Communities and ODHR

Saving Category: Service Redesign

Saving Title: Management Restructures

	15/16	16/17	17/18
Saving £'000	75	292	292
FTE	2.4	5.4	5.4

Ref Number: ECOD\SR\G

Equalities Impact Assessment Required	Yes
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Description:

This saving will be as a result of management restructures within Education Headquarters and looking at shared headship for primary schools.

Risk Summary:

There is an associated risk regarding teacher numbers and the budget settlement. The reviews may have an impact on capacity. It is envisaged that it will provide a more focused, streamlined service provision.



**SAVING PROPOSAL – BUDGET 2015/17**

Directorate: Education, Communities and ODHR

Saving Category:	Efficiency	15/16	16/17	17/18
		Saving £'000	0	990
Saving Title:	Efficiencies (Other)	FTE	0	2

Ref Number: ECOD\EF\D

Equalities Impact Assessment Required Yes

**Description:**

The saving consists of a number of streams.

Firstly surplus budgets were identified in all Services, advertising, occupational health, regeneration fund, SOA, Early Years, Psychological Services, school catering services and other expenditure lines.  
Promotion of buying additional annual leave scheme will also assist in generating savings.

Secondly, vacancies have been identified and removed for therapy posts and library posts and the natural ending of salary conservation for teachers has been recognised also. This will impact on 2 FTE.

Thirdly there are Efficiencies within the SEMP Operating Model and from the IL Management Fee as a result of changes to energy for heat & light.

Risk Summary:

Minimal risk anticipated.

## SAVING PROPOSAL – BUDGET 2015/17

Directorate:	Education, Communities and ODHR
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Saving Category:	Reduced Service Provision	15/16	16/17	17/18
		Saving £'000	607	1515
Saving Title:	Reduced Service Provision	FTE	21.2	21.2

Ref Number:	ECOD\RS\H	Equalities Impact Assessment Required	Yes
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### Description:

This saving proposal directly impacts on service provision either by reducing or stopping a service, however, considering the overall savings target, this proposal amounts to approximately 26% of the savings proposed.

The saving will be achieved across a number of areas.

- A review of the transport policy will revise the eligibility criteria resulting in approximately 43% of the above saving.
- Reducing school budgets.
- Adjusting school staffing formula.
- Stopping P6 swimming lessons.
- Fruit for schools.
- Some school initiatives.
- Areas of music provision including stopping Saturday Music Club.
- Review of Community Safety Services.
- Review of CLD and Community Hubs provision.
- Remove free swimming.
- Review Speech & Language contract.
- Reduce Events Management budget
- Reduce SEMP Maintenance Allowance.

Risk Summary:

As this is a reduction or withdrawal of service, it is likely that concerns will be raised by the Public or Elected Members. There is a risk in relation to maintaining teacher numbers and the connection to the Council settlement post 2015/16 for savings where there is a reduction in teacher numbers.

**SAVING PROPOSAL – BUDGET 2015/17**

Directorate: Education, Communities and ODHR

Saving Category: Delivery Models

Saving Title: Delivery Models

	15/16	16/17	17/18
Saving £'000	26	82	82
FTE	0	1	1

Ref Number: ECOD\DM\IC

Equalities Impact Assessment Required	Yes
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**Description:**

A review of funding arrangements for ASN non-teacher cover budget.  
Review delivery of specialist language services.

**Risk Summary:**

Low Risk – existing services will continue to be delivered by alternative means.

**SAVING PROPOSAL – BUDGET 2015/17**

Directorate: Education, Communities and ODHR

Saving Category:	Service Redesign	15/16	16/17	17/18
		Saving £'000	818	2046
Saving Title:	Service Redesign	FTE	60.9	60.9

Ref Number: ECOD\SR\I

Equalities Impact Assessment Required	Yes
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**Description:**

The Directorate is proposing to review how services are currently provided in a number of areas across the Directorate. Primarily, by reviewing the support provided within mainstream schools, it is expected that a more effective service can be provided. A full service redesign is required to achieve this saving and it is expected to be achievable by 1<sup>st</sup> April 2016. In addition, a review of how non-class contact time for teachers in primary schools is delivered will provide a large part of the saving which will require to be implemented in August 2015.

In addition to the above, reviews of youth club provision, community support, libraries and the SEMP Capital Model will be completed also.

**Risk Summary:**

The areas relating to teachers will have moderate to high levels of risk.  
The areas relating to classroom support will have low levels of risk as will the other review areas.

## **Environment, Regeneration & Resources**

**SAVING PROPOSAL – BUDGET 2015/17**

Directorate: Environment, Regeneration and Resources

Saving Category: Income and Charging

Saving Title: Income and Charging

	15/16	16/17	17/18
Saving £'000	200	520	520
FTE	-	-	-

Ref Number: ER&R/IC/A

Equalities Impact Assessment Required Yes

**Description:**

Will be achieved from increased income for the Directorate in a number of areas arising from increased Council Tax collection levels, increased Housing Benefit Subsidy, increased income/charging within Environmental Services , charging partners for services provided and increased internal income arising from increased capital investment and modernisation projects.

In addition it is proposed to review the Council's Policy in respect of Council Tax liability for Long Term Empty properties.

**Risk Summary:**

There is limited risk in maintaining the majority of the income increases proposed provided current investment and employee levels in the relevant teams are maintained.



**SAVING PROPOSAL – BUDGET 2015/17**

Directorate:	Environment, Regeneration and Resources
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Saving Category:	Reduced Service Provision
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Saving Title:	External Providers/Commissioning Arrangements
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	15/16	16/17	17/18
Saving £'000	-	250	250
FTE	-	?	?

Ref Number:	ER&R/RS/A
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Equalities Impact Assessment Required	No
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**Description:**

The Council revenue contribution to Physical Regeneration reduces to £900,000 from 2016/17 and it has already been agreed that from 2017/18 £400,000 of this will be allocated to the 3 City Deal Infrastructure projects. This saving will reduce the remaining sum of £500,000 to £250,000 and will require discussions with Riverside Inverclyde to rephrase the Councils contribution in 2016/18 to later years. There will be a potential impact on Riverside Inverclyde employees which is to be quantified.

**Risk Summary:**

Significant sums have been removed from this budget over recent years and the Council will need to play more of a facilitating role in large Physical investment projects rather than a direct funder if this saving is taken.

**SAVING PROPOSAL – BUDGET 2015/17**

Directorate: Environment, Regeneration and Resources

Saving Category: Efficiency

Saving Title: Asset Management

	15/16	16/17	17/18
Saving £'000	-	225	225
FTE	-	-	-

Ref Number: ER&R/EF/A

Equalities Impact Assessment Required No

**Description:**

Following reviews of both the Office and Depot asset management plans it is possible to remove recurring sums from the model to reflect efficiencies/savings made in the overall Plan delivery and continued cheaper borrowing costs.

**Risk Summary:**

Minimal risk as the AMPs are both well progressed.

**SAVING PROPOSAL – BUDGET 2015/17**

Directorate: Environment, Regeneration and Resources

Saving Category: Efficiency

Saving Title: Administration / Clerical Reductions

	15/16	16/17	17/18
Saving £'000	-	89	89
FTE	-	4	4

Ref Number: ER&R/EF/B

Equalities Impact Assessment Required No

**Description:**

Saving will be generated from a combination of deletion of 2 vacant/temporary posts within Finance and a review of clerical and administrative resources and processes in Legal & Property and Finance Services.

**Risk Summary:**

Little in the way of risk provided review flushes out inefficiencies and duplication in current practices.

## SAVING PROPOSAL – BUDGET 2015/17

Directorate:	Environment, Regeneration and Resources
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Saving Category:	Service Redesign
Saving Title:	Management Restructures

	15/16	16/17	17/18
Saving £'000	-	325	325
FTE	-	10	10

Ref Number:	ER&R/SR/A
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Equalities Impact Assessment Required	No
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### Description:

This saving is made up of small team restructures within, Internal Audit, Property Assets, Procurement and Business Development plus a larger scale restructure of Management, Supervision and Technical support within Environmental & Commercial Services following recent changes to the remit of that service and planned office consolidation.
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### Risk Summary:

There will inevitably be some impact on capacity within those areas impacted and certain management , support and advice tasks will take longer or the less important ones may cease. It is not expected however that there will be a significant impact on external customers.
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## SAVING PROPOSAL – BUDGET 2015/17

Directorate:	Environment, Regeneration and Resources
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Saving Category:	Efficiency
Saving Title:	Efficiencies (Other)

	15/16	16/17	17/18
Saving £'000	30	165	195
FTE	-	-	-

Ref Number:	ER&R/EF/C
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Equalities Impact Assessment Required	No
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### Description:

This saving consists of 2 themes , namely reduced contract costs arising from renegotiation of contract terms plus getting more out of the goods we buy.  
It is believed that savings can be made by renegotiating a number of the hardware and application ICT contracts and by extending the replacement cycle of the computer desk top estate to up to 6 years.  
In early 2015 the Council will consider a Street Lighting strategy report. If approved then it is believed there will be significant savings in both electricity and maintenance costs. A conservative estimate of £50,000 has been incorporated for 2016/17.

### Risk Summary:

The main risk in this saving is that the Council do not approve the Street Lighting strategy in the spring of 2015 and implementation delayed.

## SAVING PROPOSAL – BUDGET 2015/17

Directorate:	Environment, Regeneration and Resources
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Saving Category:	Reduced Service Provision	15/16	16/17	17/18
		Saving £'000	370	370
Saving Title:	Reduced Service Provision	FTE	14	14

Ref Number:	ER&R/RS/A
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Equalities Impact Assessment Required	Yes
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### Description:

Service Reduction proposals are unavoidable given the scale of the savings options required but these make up less than 20% of the Directorates overall savings.

The proposals centre around Grounds & Waste Services and Facilities Management Services.

Within Grounds the options are: Closure of Kirn Drive Civic Amenity Site and Depot following the recent £1.7million investment in a new CA site at Pottery St, Reductions in the maintenance regimes within Street Cleansing and Grounds Maintenance and the closure of Whinhill Golf Course.

Within Facilities Management the options are: Closure of 2 of the 7 Public Conveniences and a reduction in non-school building cleaning schedules. The specific Public Conveniences to be closed will be subject to further consultation.

### Risk Summary:

Most of these proposals will impact on either the visual amenity or the breadth of services delivered to the public. Officers believe that all these savings are deliverable by April 2016 but are aware that most will raise public concern.

## Community Health & Care Partnership

**SAVING PROPOSAL – BUDGET 2015/17**

Directorate:	Community Health and Care Partnership
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Saving Category:	Service Redesign
Saving Title:	External Providers/Commissioning Arrangements

	15/16	16/17	17/18
Saving £'000	0	692	692
FTE	0	0	0

Ref Number:	CHCP/SR/A
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Equalities Impact Assessment Required	Yes
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Description:

To review a number of externally funded projects and commissioned services across the CHCP incorporating a wide range of providers including third sector and voluntary organisations. The saving will be achieved from establishing strategic partnerships, economies of scale and adopting framework agreements where possible. There will be cessation of some projects.

It should be noted that purchased respite proposals are included within Reduced Service Provision as are other external service reductions.

There will be continued review of high cost care packages.

Risk Summary:

A communications strategy is required to prepare for and mitigate impacts on current partnership working, which may result in a loss of local employment. There may be TUPE implications.

There will be impact on individuals and families from a reduction and / or cessation of some services.



## SAVING PROPOSAL – BUDGET 2015/17

Directorate:	Community Health and Care Partnership
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Saving Category:	Efficiency
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Saving Title:	Administration / Clerical Reductions
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	15/16	16/17	17/18
Saving £'000	0	185	185
FTE	0	7.9	7.9

Ref Number:	CHCP/EF/B
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Equalities Impact Assessment Required	Yes
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### Description:

To rationalise administration and clerical support across all services within the CHCP. Currently 87.14 FTE Council staff are employed in this cohort.

A simultaneous review of NHS administration and clerical support component within the CHCP will inform NHS required savings.

### Risk Summary:

Opportunities for streamlining support services have come from the office rationalisation programme so the risk impact is minimal.

**SAVING PROPOSAL – BUDGET 2015/17**

Directorate:	Community Health and Care Partnership
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Saving Category:	Service Redesign
Saving Title:	Management Restructures

	15/16	16/17	17/18
Saving £'000	0	16	32
FTE	0	0.5	0.5

Ref Number:	CHCP/SR/B
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Equalities Impact Assessment Required	Yes
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**Description:**

This proposal will review the Service Manager cohort with a proposed overall reduction of 1 post; however the 0.5 FTE and cost impact reflects the integrated structure with NHS.

It should be noted that the Efficiency, Reduced Service Provision and Service Redesign proposals include elements of Management Restructure at Team Leader level posts.

**Risk Summary:**

There will be a reduction in professional knowledge / capacity.

## SAVING PROPOSAL – BUDGET 2015/17

Directorate:	Community Health and Care Partnership
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Saving Category:	Efficiency		15/16	16/17	17/18
		Saving £'000	81	316	316
Saving Title:	Efficiencies (Other)	FTE	1.4	4.4	4.4

Ref Number:	CHCP/EF/A
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Equalities Impact Assessment Required	Yes
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### Description:

The efficiencies savings proposals include reducing staffing by up to 4.4 FTE from deletion of vacant posts, reduction in hours and operating teams in the most effective way. The staffing reduction is £211,000 of the total proposed saving.

There are a number of proposals supporting the non-staffing reduction of £105,000 and reflect relatively modest decreases to a number of running costs.

### Risk Summary:

There is minimal risk with the proposed efficiency savings

# SAVING PROPOSAL – BUDGET 2015/17

Directorate:	Community Health and Care Partnership
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Saving Category:	Reduced Service Provision
Saving Title:	Reduced Service Provision

	15/16	16/17	17/18
Saving £'000	0	1,504	1,504
FTE	0	32.6	32.6

Ref Number:	CHCP/RS/A
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Equalities Impact Assessment Required	Yes
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## Description:

This proposed saving relates to reduced staffing levels (£1,149,000 being 40% of the 2016/17 target) across a number of service areas within the CHCP. There are some areas where work will need to be redistributed, but ultimately there will be reduced staffing and reduced service provision.

A review of generic roles such as Social Work Assistant and Homemaker posts ensuring that skills are transferable between different services and creating a more flexible workforce resulting in a net reduction of 12.5 FTE across a number of Services will be undertaken to mitigate, in part, the impacts of reduced numbers of staff.

Similarly reviewing support roles within a number of service areas to rationalise some functions and provide the widest possible range of support across service areas will be undertaken.

The non staffing saving relates to a reduction in respite provision of £62,000 which is an 8% reduction to Adult Respite budgets along with a reduction in other externally provided projects and services of £293,000.

## Risk Summary:

There will be impact from the reduction in front line services to individual service users and their families.

**SAVING PROPOSAL – BUDGET 2015/17**

Directorate:	Community Health and Care Partnership
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Saving Category:	Delivery Models	15/16	16/17	17/18
		Saving £'000	0	68
Saving Title:	Delivery Models	FTE	0	0.8

Ref Number:	CHCP/DM/A
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Equalities Impact Assessment Required	Yes
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**Description:**

This saving is predicated on the transfer of one service, currently provided in house to an external provider. This external service delivery model is applied both within this and other services within the CHCP and will allow for a sustainable and flexible service provision in line with commissioning frameworks.

The FTE impact is shown as 0.8 reflecting a support post reduction however it should be noted that there will be potential TUPE implications.

**Risk Summary:**

There may be staffing implications resulting from employees who do not want to TUPE to a service provider. Consultation will be required with individual service users and their families. Previous reaction and concern to outsourcing of services.

## SAVING PROPOSAL – BUDGET 2015/17

Directorate:	Community Health and Care Partnership
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Saving Category:	Service Redesign		15/16	16/17	17/18
		Saving £'000	0	72	72
Saving Title:	Service Redesign	FTE	0	1.0	1.0

Ref Number:	CHCP/SR/C
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Equalities Impact Assessment Required	Yes
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### Description:

This proposal will review a number of functions and services currently provided to streamline and establish closer working with the voluntary sector. This will include how some support and respite services are provided.

### Risk Summary:

There may be impact from less community and group support services.

## Corporate Savings Turnover



## SAVING PROPOSAL – BUDGET 2015/17

Directorate:	Corporate
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Saving Category:	Efficiency
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Saving Title:	Efficiencies (Other)
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Ref Number:	
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	15/16	16/17	17/18
Saving £'000	550	550	550
FTE	0	0	0

Equalities Impact Assessment Required	No
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### Description:

The Council has underspent it's overall employee budgets for the last few years due to turnover (the money saved whilst posts lie vacant) being greater than budgeted. The current turnover target for standard posts is 1.2%, it is proposed to increase this to 2.5% from 2015/16.

### Risk Summary:

Turnover becomes more difficult to achieve as resources become tighter and employee numbers reduce. There is a risk that individual sections/services may not meet their turnover target but the Corporate Management Team are believe that at a Directorate and Corporate level the 2.5% figure can be achieved.