

# **MEDIUM TERM SERVICE & RESOURCE PLAN SERVICE DELIVERY**

**PLANNING, TRANSPORT, ENVIRONMENTAL SERVICES,  
TOURISM LEISURE & CULTURE**

**2011-12 until 2013-14**

## **Introduction**

This plan sets out the key influences on Service Delivery together with the intended approach to service and resource planning. This plan is one of a series of plans that make up the Council's Medium Term Service & Resource Plan:

- Service Delivery (this plan)
- Children's Services (this is jointly produced with the PCT and includes Schools)
- Housing, Health & Social Care (this is jointly produced with the PCT)
- Service Delivery (Planning, Transport, Waste, Highways, Libraries, Tourism Leisure & Culture)
- Development & Major Projects (Economic Development & Project Management & Delivery)

A separate document summarises the main financial assumptions and parameters (See Appendix 5).

The external influences on the plan can be summarised as follows:

- Cuts in public expenditure – as confirmed in the Government's Comprehensive Spending Review announced on 20<sup>th</sup> October
- Changes in Government legislation, regulations and guidance
- Sustainable Community Strategy and Council Priorities
- Council change programme

The public sector is facing severe financial cuts over the next 4 years, although these vary between departments, on average these represent 20% cash cuts, which is close to 30% real cuts after allowing for inflation. Local Government will see a real 28% reduction in funding over the period, which equates to about 7% a year. It should be noted that only about 30% of the Council's non schools funding comes from Government grants (and business rates redistribution) but Local Authorities are being given a financial grant (as announced in the CSR) to pay for the cost of freezing Council Tax in 2011/12.

To accommodate this in the financial planning for Bath & North East Somerset Council each department has been given a cash savings base target and stretch target for 2011/12 of about 5% and 10% respectively (based on gross spend – the figure based on net spend is about double this percentage).

The assumption is that similar targets will apply in the following year (2012/13) with a slight improvement in the year after that. Modelling of increases in unavoidable demand will be needed to ensure that over time individual services are not disproportionately affected. Services such as health and social care will be affected disproportionately as a result of the ageing population although additional Government funding is being introduced (as announced in the CSR) to at least partially recognise this.

These targets for savings relate to gross expenditure (excluding schools). Each service block is focusing on savings in all costs including staffing and procurement. In addition proposals need to reflect fair charging so that there are no hidden subsidies applying to services that should be properly charged for.

Changes in Government Legislation and regulation are a key issue following the national elections and the creation of the Coalition Government with its radical change agenda. Changes include:

- Creation of Academies – creation of new Academies largely free from LA control with immediate effect – schools go through a relatively fast application process that can take only a few months
- Reform of Health – including demise of PCT's by 2013 and requirement for all delivery functions, including Community Health, to be arms length in 2011/12
- Removal of Quangos such as the RDA, creation of Local Enterprise Partnerships (at sub regional level such as the West of England), removal of large parts of the performance monitoring regime, removal of the Audit Commission etc.
- Review of Local Government finance over the next 12 months but in the meantime removal of ring fencing from most Government grants to local authorities but excluding public health and a simplified schools grant.
- Localism reforms to encourage more local decision making, greater transparency, reform of the way decisions get taken in LA's, local referenda for any excessive Council tax increases and various 'Big Society' initiatives
- Incentives such as national funding to encourage better integration between health and social care (with the latter seen as a means of preventing or reducing demands on health) also real financial implications of not reducing carbon usage and, as already noted, a financial incentive to freeze Council Tax in 2011/12
- Tightening of Benefits rules and move towards one unified benefits system (Universal Credit – also in the CSR) over 10 years but with capping of benefits being led by LA's from 2013 as a first move.

A report to Council in November sets out the background in more detail.

This Council has been developing its change programme over the last few years so that it is better able to respond to changes of this nature. Although the nature of the required changes was anticipated the pace of change, as a result of the public expenditure crisis, is greater than anyone had previously expected.

The Council's change programme has been reviewed to ensure each of the changes outlined above are reflected. The focus remains on

- joining up public services - so that strategic planning, community engagement and customer interaction is simpler and even more effective
- designing services around the needs of individual customers - to remove waste, provide choice and improve customer satisfaction
- meeting the stringent financial challenges - that are facing local government as the major squeeze on public expenditure starts to bite

The report to November Council also sets out more information about the Change Programme work streams:

- Resources
  - customer services (customer contact)
  - core council – strategic commissioning
  - support services review
  - asset based property vehicle
- Children's Services
  - children's social care – provider commissioner split
  - youth service review
  - academies and residual LEA role
- Health & Wellbeing
  - public health
  - commissioner role (post NHS reforms)
  - provider

With various enablers:

- workplaces/office accommodation/flexible working
- communications and organisational development
- processes and systems including lean 'systems thinking' reviews and ICT
- finance including medium term planning and service prioritisation

- legal
- procurement

## Staff Resources Finances

The services incorporated in this plan are listed below together with related staff numbers and previous year budgets. This is the starting point for the 3 year plan. Changes start with this as the base:

	Inc(£m)	Exp(£m)	Net(£m)	FTE
<b>Environmental Services</b>				
Waste	(2.522)	13.272	10.750	116.7
Highways Network Maintenance	(0.286)	7.429	7.143	39.0
Neighbourhood Services	(3.436)	8.575	5.139	183.3
Public Protection	(0.871)	2.047	1.177	39.9
Car Parking (excluding Park & Ride)	(10.357)	4.009	(6.348)	65.5
Highways - Transport & Fleet Management	(7.350)	7.231	(0.120)	73.7
Overheads (all SD)	(0.002)	2.175	2.173	6.0
<b>Tourism Leisure and Culture</b>				
Heritage including Archives	(12.567)	9.261	(3.305)	112.3
Libraries & Information	(0.273)	2.796	2.523	56.9
Tourism & Destination Management	(0.628)	1.826	1.198	10.6
Leisure - Sports & Active Leisure	(0.556)	1.497	0.942	17.2
Arts	(0.126)	0.837	0.711	4.1
<b>Planning and Transportation</b>				
Planning Services	(0.913)	3.914	3.001	72.5
Transportation Planning (incl Public Transport)	(1.804)	7.064	5.260	40.1
Transport Design & Projects	(1.730)	1.800	0.070	36.0
Park & Ride	(2.373)	1.336	(1.036)	0
Building Control & Land Charges	(1.031)	1.034	0.002	17.1
<b>TOTAL CASH LIMIT</b>	<b>(46.823)</b>	<b>76.104</b>	<b>29.281</b>	<b>890.9</b>

(1) Revenue budgets are for 2010/11 - prior to any changes arising from this plan.

(2) The gross figures are before income including government grants..

(3) The above table does not include Avon Pension Fund for which the Council is the lead authority but the finances are planned and managed separately.

A copy of the existing capital programme is attached as Appendix 1.

## Key Proposed Changes – Years 1 to 3

The main national and local drivers for change for the Council and for the Service Delivery are as set out in Appendix 4.

Service Delivery is well placed to deliver continued efficiencies over the current planning period after reducing headcount by 86 posts in the previous year.

The basic approach of Service Delivery to these drivers for change is consistent with last year.

- Balance the delivery of statutory services with the delivery of discretionary services.
- Match business volume with staffing levels
- Review long term vacancies and the use of agency staff

- Anticipate the impact of an expected reduction in our capital programme
- Minimise impacts on customers and residents (protecting front-line services as far as possible) and, where possible within the timescale for the first phase, restructure management and supervision to achieve savings
- Simplify and, where appropriate, standardising common processes across divisions to remove artificial boundaries, avoiding fragmentation and reducing “silo working”
- Scale consultations with the public, partners and employees so that engagement is carried out once, about the right things, at the right time and in the right way
- Import best practice including business disciplines and innovations - focusing upon doing the job once, doing it right and doing it in a timely manner
- Develop an appropriate internal/external trading culture that is aimed at recovering real costs where appropriate, increase income generation and stop providing services which are uneconomic or where inadequate funding exists
- Improve integration, coordination and efficiency and re-design the way we work so we are flexible and more efficient
- Ensure that the right skills are retained and enhanced in order to deliver the challenges of the future by developing workforce planning, succession planning and talent management

Year one of the three year period will focus a continued efficiency with major savings already realised in the procurement of energy and landfill contracts. Further reductions in posts, from the restructuring of management and deleting vacancies. Extension of Automatic Number Plate Recognition technology to off street car parks will enable the removal of barriers enhancing the customer experience and improving efficiency of fee collection.

In Environmental Services reviewing management structures for the Neighbourhood and Parking Teams will help improve efficiency and reduce costs. Lean Reviews in Highways have identified savings which will compensate for new scheme growth. There is also significant opportunity to rationalise waste collection resources and residual waste volume continues to fall. Reviewing fees and charging for various services across the directorate will also help ensure the full costs of providing services are recovered.

In TLC investment in new revenue generating projects will enhance income and existing contractual arrangements with the Spa will move into surplus. Restructuring of managerial and administration posts will provide further savings.

In Planning and Transport reviewing the structure of the Transportation team and removing duplication will improve efficiency. Reprogramming some elements of the Local Development Framework will enable work to be completed in-house saving external consultancy fees.

## **Finances & service impacts**

The service impacts of the changes are set out in the attached impact analysis at Appendix 3.

The targets for the department are at two levels. The base target is for savings in the region of 5% of gross spend and over the next 3 years is as follows:

- 2011/12                      £3,179m
- 2012/13                      £3,321m

- 2013/14 £2,405m

### Base Savings Targets 2011/12

» Base target	£3,179m
» Target 'achieved'	£3,179m
» Balance	£nil
» Summary of proposals to meet <b>base</b> targets	
» Change Programme	£0.163m
» Cashable Efficiencies	£2.508m
» Additional Income	£0.307m
» Reduced Service Levels	£00.196m
» Discontinued Services	£0.005m

**Stretch Savings Targets 2011/12** £2,664m

- » The stretch savings targets can only be achieved through reductions in service levels

Service Delivery has achieved the base target through a combination of procurement and efficiency savings and some revenue generation opportunities. The main reduced services levels and discontinued services relate to the following and are summarised in more detail in the impact analysis at Appendix 3.

- Loss of Government funding for Road Safety, Cycle and Pedestrian training requires that staffing levels and opportunities to recover costs are reviewed
- Re-phasing of some elements of the Local Development Framework e.g. Site Allocation Development Plan Document, to allow the work to be completed by internal resources saving external consultancy fees. This will delay the SADPD by approximately 6 months

Given that Service Reductions were required to achieve even the base target, it has not been possible to find resources to fund the proposed youth travel card.

### Performance

There will be an increasing emphasis on benchmarking as part of the new national approach and details are awaited about how this will operate.

The Council's external auditors will continue to give an opinion on value for money. For the audit of the year 2009/10 a clean opinion has recently been given on the accounts and the details reported to the Audit Committee.

### Workforce Planning

The services included in the medium term plan have some common workforce planning issues:

- The need for staff reductions over a 3 year period of between 15% and 25% across the department as a result of efficiencies and reducing or stopping some activities.
  - The percentages vary between divisions – see Appendix 3.
  - In total about 36 posts will need to be removed across the department in 2011/12 to achieve the savings in this plan
  - As a result of reviewing vacancies, use of agency staff, changes to working hours, early planning and good consultation the number of compulsory redundancies in 2011/12 will be low
  - A similar level of staff savings is likely to be needed in 2012/13 as a result of efficiencies

- Staff savings and budget savings in 2011/12 and 2012/13 are likely to be in the region of 10% for most divisions, improvement and performance will be higher, and overall an annual departmental figure of about 8% is proposed.
- The timing of the staff changes will be phased and in 2011/12 the main changes will be as a result of the budget savings and efficiencies

Staff will benefit from bespoke training and development associated with their changing roles. Staff will also be helped to achieve greater skills to equip them to compete for internal and external roles in anticipation of staff reductions within the department.

Middle managers are benefiting from the development programme designed for them based on the needs arising from the change programme, not least strong and effective leadership during a period of change and staff reductions. Coaching will also be provided.

Change coaches will continue to facilitate change in each Division.

Divisional Directors will benefit from continuing leadership development and one to one coaching.

Some of the new skills requirements are associated with:

- Business planning and financial awareness
- Lean systems thinking as a means of reducing waste in systems and helping improve customer experience whilst increasingly focusing on high priority needs
- ICT Systems training where new IT is implemented
- Commissioning skills esp. for staff in core roles associated with all the services including strategic roles, assessment of need, consultation, intelligence and research, procurement, community engagement and partnership working.

Each service has reviewed its staff profiles to facilitate the above changes. Early retirements will facilitate some of the changes subject to affordability. Flexible retirements and other flexible employment options will be considered. Some compulsory redundancies will probably be necessary but early planning will be used to keep these to a minimum. Staff structures will be reviewed to ensure the core/commissioning roles in the Department are clearly defined.

To achieve the necessary changes there will need to be the right programme management in place. The first moves to facilitate change are:

- Appointing change programme managers and setting up project teams for each strand of change activity in the department and to ensure these strands link to the overall corporate change programme
- Use consultancy support only where skills or experience is missing and external support is needed to being about rapid and effective
- Restrict recruitment when posts become vacant (a managed recruitment freeze with each vacant post being carefully reviewed before being filled or deleted, and where filled increasingly this will be on a temporary basis with appropriate use of redeployment).
- Designing in more detail the workforce requirements of each Division over the next 3 years to reflect the principles set out here. Some management re-organisations will be required.

The commitment to equalities will remain as these changes are progressed with the Department continuing to build on recent improvements in its approach to equalities. Major changes will be properly impact assessed. Worker groups will also be properly involved.

### **Longer Term Options – Years 4 to 10**

The longer term solutions are more speculative and will in part be driven by the wider agenda for local government, city regions, demand pressures on social care (with an aging population), climate change issues but also the growth and economic prosperity opportunities arising from an expanding population.

The proposed changes in the next 3 years are radical and will set the agenda for some years to come. The report to Council on the 16<sup>th</sup> of November has the details.

Public expenditure reductions will continue for some years to come. Most of the expenditure cuts will most likely be over the next 4 years but after that tight control over public expenditure is likely to need to continue.

The Council's role as an enabler and commissioner so that local people have access to the right services from a range of providers is central to the changes described here. The changes in schools and health and social care alone will radically take this agenda forward over the next 3 years. More similar changes are likely to follow.

### **Approval of this plan**

This plan has been considered by Corporate Performance & Resources Overview and Scrutiny Panel (CPR O&S) in November 2010.

The Portfolio holder for Resources will review it after that so that changes were incorporated prior to January (CPR O&S) when service action plans were considered.

The various medium term plans will be brought together for consideration by (CPR O&S) in February and then Cabinet with budget recommendations made to the February meeting of Council.

### **Appendices**

**Appendix 1 - Capital programme**

**Appendix 2 - Service specific changes at Divisional level**

**Appendix 3 - Impact of proposed budget changes**

**Appendix 4 - Key national and local drivers for medium term plans**

**Appendix 5 - Council's financial context (to follow)**

The report to Council on 16<sup>th</sup> November will provide essential information about the change programme and follows a Cabinet report being considered on 3 November

A leaflet relating to the **change programme** in its previous form has already been circulated but is also very relevant to this plan. Although the change programme is now being extended the ideas in that leaflet and the successes remain entirely relevant. The leaflet can be found through the following **link**.