

CABINET 17 JULY 2013

FUTURE COUNCIL AND FINANCIAL PLANNING 2014/15 –
2016/17

CONTENT

SECTION

1. The 'Future Council'
2. Budget Overview
3. Medium Term Financial Forecast (MTFF)
4. Summary 3 year plan
 - a) MTFF and Future Council KLOE
 - b) Potential Staffing Implications of Future Council KLOE
5. Detailed 2014/15 KLOE
 - a. Children, Young People and Families
 - b. Adults and Communities
 - c. Development, Environment and Culture
 - d. Corporate Services
 - i. Legal and Governance
 - ii. Finance, Property and Information Services
 - iii. HR, Performance & Partnerships and Communications.
 - e. Cross Cutters
6. Recommendations

SERVICE AND FINANCIAL PLANNING 2014/15 -2016/17

Report of the Chief Executive

Development of the 'Future Council'

1. Reason for Report

- 1.1 To provide Members with an overview of the significant challenges that the Council is facing over the planning period and the new approach that will be taken to develop the organisation to a sustainable 'Future Council'

2. Background

- 2.1 The Council has previously agreed its 3 key Corporate Priorities of

- Developing the Economy
- Changing the Relationship Between the Council and the Community
- Improving People's potential and Achievement.

- 2.2 Clearly delivery against these priorities will provide significant challenges, particularly when taken against the context of the Government's current fiscal strategy and changing policy frameworks. In addition, local demographic pressure, particularly through an aging population and increasing customer expectations, all need to be considered and addressed.

- 2.3 Therefore, to achieve our priorities within this context, there must be fundamental changes to the way the Council works. Options of retrenchment, service reductions and departmental savings that have served us well in recent years will not ensure that a sustainable Council for the future can be delivered.

- 2.4 **What is required is a totally different approach which challenges and changes how the Council does its business in the future.**

3. Current Position

- 3.1 Although there is clearly significant work to be done in relation to establishing the model for the 'Future Council', let's not lose sight of what has already been delivered to date.

- 3.2 Significant efforts have been made to ensure that our financial base is sound moving forward with a balanced budget being achieved for 2012/13 and setting a sustainable budget for 2013/14 that is deliverable going forward

- 3.3 Cabinet have already agreed the streamlining of the Authority's leadership team to realise significant savings and work to reduce this further continues.
- 3.4 The Barnsley Leadership Team has also begun the planning on what our 'Future Council' will look like and how to get there.
- 3.5 Meaningful engagement with staff at all levels continues into the second year, which is beginning to develop a real sense of involvement for all and the ability to influence the Future Council with solutions being generated by staff across the organisation. This must continue and be built on.
- 3.6 The new political arrangements have been welcomed with the Area Councils and Ward Alliances now up and running. Even at this early stage they are generating a significant, positive attitude to how Members can harness resources and capacity at a local level.

4. Next Steps

- 4.1 As previously stated, to remain sustainable there is a need to change our business model going forward to one that is sustainable and will support an effective and efficient Council that delivers improved key outcomes for local people.
- 4.2 The changes in scale and pace cannot be underestimated with regard to the current ways of working and the impacts that this will inevitably have on Members and staff alike.
- 4.3 Work to date has identified 10 key elements that will underpin our new direction, each of which will require new ways of thinking and working:
- Clear Vision and Values
 - Customer Focused
 - Commercial and Business Acumen
 - Programme and Project Management
 - Innovation / Risk Taking
 - Learning Organisation
 - Leaders at Every level
 - Flexible Workforce
 - Partnership working for outcomes
 - An enabling organisation
- 4.4 Having a clear inspirational vision is fundamental to any successful organisation, driving forward the pace of change to achieve the ultimate goal.

- 4.5 The focus must now be on ensuring the required change and development within the Council to achieve the vision of a sustainable Future Council as outlined above, with key elements including

Thriving and performing people – to ensure that the organisation has the staff with the right skills and approach for the future underpinned by appropriate training and development opportunities.

Customer and outcome focus – to reinforce that the customer must be at the heart of everything we do in the future and to focus on achieving for our customers rather than what we are doing.

SMART processes and enabling architecture / infrastructure – to ensure that our underlying processes and procedures are lean and fit for purpose and remove any unnecessary bureaucracy

Empowered and informed Citizens – to provide the right opportunities for our communities to meaningfully engage in designing and delivering future services that are responsive to their needs.

Ambitious and Challenging – in these difficult times, seek best practice and ideas from others and be innovative in our approach.

- 4.6 Development of the new Area Council and Ward Alliances will also be crucial to our vision of the 'Future Council', with fundamental changes to the ongoing role of Members as community champions and advocates for more self reliant communities.

5. A Three Year Financial Plan

- 5.1 To ensure sustainability of the 'Future Council' there is a requirement to have a robust 3 year financial plan which underpins the change. Our previous budget process therefore needs to be developed in support of the Future Council work and agreement made to deliver all current KLOEs identified at this stage.

- 5.2 It also needs to be acknowledged that in doing so there will still be significant shortfalls which will need to be dealt with in order to deliver the required 3 year plan. However this new approach of agreeing KLOE on a staged basis during the year will:-

- Allow managers to plan delivery of KLOEs with increased flexibility choosing the right time to deliver the change instead of being restricted by a fixed annual schedule.
- Provide certainty for staff involved at the earliest stage.
- Provide Area Councils with information on the main impacts of reductions to support the plans that they need to have in place for use of their budgets from 2014 onwards.

- Provide the potential for early savings that may be considered at the appropriate stage in support of the overall budget.
- Allow individual plans to be developed for each that will be supported by revised HR processes, and ensure that consultation and communication issues can be better tailored around each change.
- Provide the opportunity to concentrate on the remaining KLOEs required to balance 2014/15 but more importantly on the work required to deliver the longer term plan aligned to the new Future Council.

6. The new Business Model

6.1 Having acknowledged the need to adopt a new business model going forward this needs to be clearly articulated how this will look and that it will be built around two key components.

- 1) A strong and lean Core
- 2) A number of Business Units delivering efficient services

A strong core

6.2 To ensure development of Business Units that are fit for purpose and customer focused which provide a strategic approach to the understanding and identification of the future needs of Barnsley people. Become more innovative in our planning approach to how the needs identified can be met and improve commissioning across the organisation. A review of commissioning arrangements is currently underway.

6.3 Continue to ensure that that our core support services such as legal, governance finance etc are delivered in the most efficient and effective ways which reflect the needs of the Business Units.

Business Units delivering efficient services

6.4 Delivery of the 'Future Council' will obviously need us to become more businesslike in how we manage our services either directly or through the management of contracts / partners.

6.5 All Business Units established will need to develop robust unit costing and benchmarking arrangements so that business unit managers and staff alike are able to drive out any inefficiency and improve productivity of all services going forward. This information will also be vital for the identification of the most cost effective model for each service in the future. This change is part of the bigger organisational culture change required to become more more business minded, i.e. more entrepreneurial, taking risks and developing commercial awareness.

- 6.6 In assessing the most effective business model all options will be considered as part of a business plan approach but there will be a preferred hierarchy of outcomes for consideration in the following order.
- In-house, comparing favourably against the benchmark
 - BMBC but in a different model
 - Local Private or voluntary/ community providers
 - Providers based outside Barnsley.

Alternative Models

- 6.7 There are clearly a wide range of delivery models that could form part of a mixed economy for delivering the 'Future Council' in the most effective way for the people of Barnsley.
- 6.8 Such models will include shared services, traded/joint ventures, social enterprises, employee led mutuals, co-operatives, companies limited by guarantee and community interest companies plus others that may emerge as business cases are considered.
- 6.9 Our thinking also needs to be informed by the numerous examples of delivery models that are already in place in local government across the country. Some good examples of shared services can be found in such services as Children's Adoption, Youth Offending teams and legal services that we may be able to build on.
- 6.10 Clearly we also need to explore options and opportunities to drive efficiencies and service improvement through working with our key partners to align services and resources to deliver for our shared customers.
- 6.11 There will be a number of steps in the process of preparing the organisation and the community for this new business model. Part of the cultural change within the organisation must be to ensure that any method of provision provides best value for the Barnsley economy, rather than simply provision at the lowest cost.
- 6.12 It is also important to acknowledge the length of time that might be needed to develop social enterprise models and that this might need to be built into any contractual arrangements so that social enterprises are able to reach a position of sustainability. Alternative models will be embraced and supported but must also have regard to the pace of change required.

7.0 The 'Future Council'

- 7.1 The outcome of the above work will result in a clear direction being established for the organisation over the forthcoming planning period that will drive forward improvements in the services we will still provide.

This needs to be achieved with a renewed sense of ambition and innovation that clearly puts community engagement at the heart of decision making.

7.2 Whilst the work will reduce both waste and costs, it needs to be recognised that there will inevitably be a reduction in the numbers of staff employed by Barnsley in the 'Future Council'. Equally important is the realisation that some Council activity will cease altogether with alternative arrangements coming from a variety of providers – public, private and community.

7.3 It is only by embracing the new approach can we deliver service provision that will be sustainable for our communities and ensure that the Council itself has a sustainable future.

SECTION 2

SERVICE AND FINANCIAL PLANNING 2014/15 - 2016/17

Budget Overview

1. Purpose of the Report

- 1.1 This paper provides an initial outline of the Council's Service and Financial Planning (S&FP) process and its potential impact on the Council's Medium Term Financial Strategy (MTFS) particularly in light of the recently announced Comprehensive Spending Review (CSR).
- 1.2 The context to the Council's S&FP process is the 'Future Council' framework which is outlined at section 5 and in more detail in a separate report on this agenda.

2. Background – 2013/14 Budget and Medium Term Financial Strategy (MTFS)

- 2.1 The 2013/14 budget was constructed within the overall Service and Financial Planning process, taking account of the significant reduction in support from Central Government.
- 2.2 The backcloth for the 2013/14 budget was the Local Government Settlement that announced grant resources for the two year period 2013/14 & 2014/15. This also provided a funding breakdown for the newly introduced Business Rates Retention (BRR) scheme which was split as follows:-

Table 1 Barnsley's Local Government Finance Settlement

	2013/14 £m	2014/15 £m
Local Share	24.294	25.038
Top Up grant	25.444	26.225
RSG	74.763	61.698
Total Funding	124.501	112.961

- 2.3 The intention of the BRR scheme is that Barnsley will keep 50% of whatever income it raises locally on business rates (known as the 'local share') and pass the other 50% over to Central Government. The figure that Government expect the Council to generate as its local share is a notional figure that ultimately determines the level of top up grant and Revenue Support Grant (RSG) that Barnsley will receive.
- 2.4 RSG remains Barnsley's single biggest income budget in the BRR scheme but its RSG reduced by £12.6m in 13/14 and by a further £13.1m in 14/15. Moreover the 2014/15 RSG settlement is expected to get worse as a result of the announcement in the Chancellor's budget that local authorities would get a further 1% cut.

2.5 For the third year running, the Authority also accepted the Government's funding for a Council Tax Freeze (CTF) grant which allowed the Council to have no increase in the Council Tax for 2013/14. Whilst this relieves the tax burden on local residents it impacts on the Council's ongoing resource position. CTF grant has generally only been paid on a 1% increase and is time limited. This therefore does not form part of the Authority's Council Tax base/ resource position and therefore leads to a permanent loss of resources. From 2015/16 it is estimated that the permanent loss of resources could rise to £5.0M when the 2011/12 and 2013/14 freeze grants are due to fall out.

3. Changes to the Forecast since 2013/14 Budget Setting

- 3.1 There have been a number of issues impacting on the MTFS since the 13/14 budget was set in February 2013 - the most significant being the agreement in principle to approve the Key Lines of Enquiry (KLOE) proposed for 2014/15 amounting to £9.452m. The forecast has been adjusted to reflect this.
- 3.2 Two other issues directly reflect announcements made by the Chancellor in his March 2013 Budget Statement. Firstly, as mentioned above at 2.4, it announced a further 1% cut to resources in 2014/15. Secondly, the Chancellor confirmed that the government would implement a single tier pension scheme from 2016/17. This will result in a significant additional National Insurance cost to the Council from that year.
- 3.3 The triennial review of the South Yorkshire Pension Scheme is due in 2014. An initial actuarial assessment has been recently released which at this stage indicates a significant level of under funding in the scheme and potential for participating Authority contributions to increase. The estimated additional contribution for Barnsley has been included in the forecast although it is anticipated that this estimate will probably change as further information/ analysis is released.
- 3.4 The 2014/15 budgets have been reassessed in light of the 2012/13 year end financial position. This has identified the potential for ongoing savings against a number of budget headings. The biggest single saving relates to the capital financing budget which underspent by £4.5m in 2012/13, largely because the Council has taken advantage of historically low variable interest rates for new and maturing borrowing. As a result £2.8m has been taken out of the budget in 2014/15 but it should be noted that a significant amount of the Council's debt is now subject to interest rate change and whilst the position is reasonably stable at this stage, it will only take a relatively small increase in interest rates to wipe out the above saving.

	<u>2014/15</u> <u>£m</u>	<u>2015/16</u> <u>£m</u>	<u>2016/17</u> <u>£m</u>
Gap (Cabinet Feb 2013)	+17.838	+10.589	+7.420
Further 1% cut to resources	+1.245	-	-
Single Tier Pension scheme	-	-	+3.000
Actuarial Assessment	+2.830	-	-
Saving to Capital Financing	-2.800	-	-
Savings to Other Budgets	-1.000	-	-
Approval of 2014/15 KLOE's	-9.452		
Revised Gap *	+8.661	+10.589	+10.420

* Assuming permanent savings achieved to meet previous years deficits

4. Implications of the Comprehensive Spending Review (CSR) for the Medium Term Financial Strategy

- 4.1 The Chancellor announced the CSR for a foreshortened 2 year period 2014-16 (CSR's usually cover a 4 year period) on 26 June. The CSR provides information on government departmental budgets and high level messages on the economy that allow local authorities to gauge likely future resources over the medium term.
- 4.2 It should be stressed that the information is at national not local level and we are still awaiting further information on the CSR especially around the transfer of budgets into/out of the Communities and Local Government (CLG) departmental budget. As such, the level of information provided to date makes it very difficult to accurately assess the future position for Barnsley and it is therefore subject to change as further information is released.
- 4.3 The key information from CSR is the level of cuts at Government Department level. For the Department of Communities and Local Government (CLG) the Government announced a 10% 'real term' reduction in the CSR. Assuming all this cut is passed onto local authorities, this equates to a 8.2% cash cut. The following forecast is therefore based on a change to reflect the cash cut. No change is assumed for either 14/15 or 16/17.
- 4.4 The government also announced a series of funding packages to other governmental departments that may impact on Barnsley locally. These are provided in more detail below but one such change is that the Government announced £2bn of funding would be set aside for Local Enterprise Partnerships (LEP's) in 2015/16 funded partly from New Homes Bonus of £400m. This is likely to have a direct impact on Barnsley in two ways. Firstly it is presumed that NHB grant will go direct to LEP's in 2015/16 rather than to local authorities as at present. Secondly the Government, whilst funding the early years of the NHB scheme from their own resources, have increasingly

top sliced the NHB grant from Local Authority budgets. The Government have stated that they intend to directly support £250m of the £400m but it is assumed at this stage that the remaining £150m will be 'top sliced' from the CLG budget and the updated forecast reflects this cut. It is possible that this change may continue into 2016/17 and therefore impact on the deficit position further.

- 4.5 The Government also announced a CTF grant for 2014/15 and 2015/16 (full details not yet provided) and that a 2% Council Tax threshold would be established before a referendum is required. The forecast has been revised to reflect a 2% Council Tax increase in 2015/16 & 2016/17 (it previously assumed 2.5%). The increase assumed in 2014/15 is unchanged at 1%.

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Revised Gap (as above)*	+8.661	+10.589	+10.420
8.2% cash cut in 15/16 resource		+1.851	-
New Homes Bonus top slice	-	+0.702	-
Top Up Grant indexation	-	-0.472	-
Council Tax @ 2% in 15/16 & 16/17	-	+0.360	+0.360
Revised Gap (July 2013)*	+8.661	+13.030	+10.780

* Assuming permanent savings achieved to meet previous years deficits

- 4.6 The revised position is based on the following key forecast assumptions:-

- Pay award assumed at 1.0% per annum in 2014/15 and thereafter;
- Council Tax increase of 1% in 2014/15, 2% in 2015/16 and 2016/17.
- Growth in Business rates of £0.744M in 2014/15 and no growth thereafter.

Other potential implications of CFR

- 4.7 As mentioned there are a number of variables that will change the above position. The biggest of these is the assumed cut to future government funding. The 8.2% cash cut still requires further clarification and any change will impact on the forecast (each +/- 1% = £1.2m).
- 4.8 The CTF grant would represent another key variable should Members be minded to accept it. Whilst details on how the scheme would work have not been released, previous CTF grants have been time limited and based on a 1% increase. Assuming that the future scheme follows the 13/14 Council Tax Freeze (ie 1% increase for two years), the financial implications of accepting the Council Freeze grant in 2014/15 and 2015/16 is outlined in the table below.

Table 2 Impact on the Forecast of accepting CTF grant

	2014/15 £m	2015/16 £m	2016/17 £m
Change to Forecast of CTF grant	Nil	+0.695 * ₁	0.695
CTF grant dropping out	Nil	Nil	+0.849* ₂
Total	Nil	+0.695	+1.544

*1 - accepting CTF grant @ 1% compared to 2% in forecast

*2 - the difference between a 1% CTF grant and 1% local levy is because the government assume a slightly higher Council Tax base

- 4.9 The Government also made an announcement in the CSR that £3.8bn would be pooled jointly with NHS to support future adult social care - £2bn is described as new investment. It is anticipated that the new investment may result in additional resources of around £10m coming into the borough (based on current funding) but that this funding will be allocated to the existing Health and Well Being Board / CCG rather than to the Council directly. However, it is clearly a future budget that the Council will be able to influence and benefit from.
- 4.10 The CSR announced a £200m cut to the 2015/16 Education Support Grant which largely supports the maintained schools (eg schools improvement team). This represents a grant fall out issue and the direct impact on Barnsley will need to be contained within CYPF's current plans to reshape their service as more schools transfer to academy status.
- 4.11 An additional amount of £200m was added to the Troubled Families budget. This will be funded from across Government Departmental budgets and is expected to extend the Troubled Families programme. This potential new resource therefore needs to be considered by CYPF in line with the current service provision in this area.
- 4.12 As stated at 4.4, the Government intends to transfer existing funds to LEP's amounting to £2bn. This will be funded by existing grant for Transport of £1bn and £500m for skills and training as well as £400m from NHB. Further clarification on how the allocations for transport and skills will be funded is still awaited but it is likely to mean that resources that were previously under the direct control of local authorities will in future go directly to the LEP. This will have another significant impact on the Council's budget.
- 4.13 The Government has also announced a separate efficiency grant at £100m to help joint working between local authorities. Further details are awaited to determine how far this fund will help complement the alternative models approaches that the Council intends to explore through the Future Council framework.

5. Options for achieving a balanced budget in 2014/15 and beyond

Setting the 2014/15 Budget and addressing future deficits

5.1 At this stage it is anticipated that on the assumption that no further investment is agreed, further savings of £8.661m will still be required in 2014/15. Given that the estimated 2015/16 position has also worsened as a result of the Comprehensive Spending Review and that significant gaps remain in future years, consideration needs to be given to all options available for reducing net expenditure. This will clearly be focused around the new business model to support the 'Future Council' process. This will be based around the key components of:-

- **A Strong Core** - to identify our future needs and improve our commissioning and planning processes to deliver them - a key bedrock being that our core support services should be both lean and efficient.
- **Business Units** – to establish business units to deliver services in a more business like manner, drive out efficiencies and improve productivity across all services (especially support services).
- **Alternative Models** – to consider alternative models of delivery including for example shared services, social enterprises and setting up different types of companies (eg limited, community led, cooperatives etc).

Within this framework, the Council will also assess more 'traditional' methods of delivering a balanced budget which will include:-

- **Further Service Reductions** – this would involve the identification of areas of current service which whilst still highly desirable do not have a relatively high priority overall.
- **Income Generation** – to continue to review current levels of charges and investigate the potential for any new areas of income generation.
- **Asset Rationalisation** – review the Authority's asset base and ensure its relevance to future service needs.
- **Council Tax levels** – increased income could be generated by setting Council Tax levels higher than those assumed within the forecast however this needs to be considered within the constraints of i) the Council Tax freeze grant and ii) the need to go to a local referendum if the increase exceeds the Government's proposed cap of 2%.

- **Use of “one off” resources** – any such use must only be considered as part of a ‘bridging’ strategy whilst permanent reductions in expenditure are delivered. The delivery of some of the existing KLOE's early may also provide the opportunity to deliver additional savings in support of such a bridging strategy although at this stage SMT are still being asked to identify new KLOE's to eliminate the gaps in total.

6. **Medium Term Budget Forecast**

- 6.1 In taking decisions in relation to the 2014/15 budget, it is very important that Members are mindful of the position over the Medium Term and the ongoing gaps that still need to be closed which are:-.

2014 / 2015	-	£8.7M approx
2015 / 2016	-	£13.0M approx
2016 / 2017	-	£10.8M approx

This assumes that permanent savings will be found annually to fully deal with each year's gap.

- 6.2 Given these levels of potential shortfall, the agreement of the 2014/15 KLOE already identified at this stage, will allow ongoing work to concentrate on not only closing the remainder of the gap for 2014/15 but the development of a three year financial plan that will underpin the ‘Future Council’
- 6.3 Further reports on progress on the development of this will be brought back to Members as part of the service and financial planning process later in the year that will agree the overall budget for 2014/15 and plans for later years.

MEDIUM TERM FINANCIAL FORECAST - 2014/15 - 2016/17

	FORECAST 2014/15 £m	FORECAST 2015/16 £m	FORECAST 2016/17 £m
EXPENDITURE:			
1. Base Net Expenditure (Net of Schools)			
Base Expenditure	196.016	192.587	196.767
Full year effect of use of one off resources	0.000	0.000	0.000
	196.016	192.587	196.767
2. Fixed and Opening			
Pay Award, Contract Inflation & Increments. Pay assumed at 1%.	2.457	3.000	3.000
National Insurance - single scheme proposal	2.830	3.000	3.000
Pension - actuarial assessment 2014-7	0.137		
Full year effect of previous years decisions (investment/ efficiencies)	0.500	0.500	0.500
Financing capital new starts programme (including 1ye prom previous years)	-2.800		
Review of capital financing budget as a result of 2012/3 outcome	-0.026		
Transfer of Road safety funding into General Grant			
	3.098	3.500	6.500
3. KLOE			
Service/ Cross Cutting Key Line of Enquiries - 14/15	-9.452		
4. Terms and Conditions			
Deferment of Increments	0.670	0.000	0.000
5. Investment & Other Decisions			
Queaway Plaza	-0.021		
Markets	0.376		
Future Area Council proposals	2.100		
Potential service pressures re rolled in/ specific grants from draft LG settlement	-0.500		
Public Health grant transfer	-0.682		
Public Health - assumed expenditure	0.682		
LCTS - demographic pressures	0.300		
	2.255	0.680	0.680
	192.587	196.767	203.947
6. TOTAL EXPENDITURE			
RESOURCES:			
7. Core Resources			
Council Tax	71.515	72.210	72.751
Council Tax income			
Business Rates Retention (BRR) scheme	24.294	25.038	25.038
Local Share - Business Rates (net 50% share)	25.444	26.225	26.697
Local Share - Top Up grant	74.763	60.453	50.590
RSG including rolled in grants			
Core Resources b/f	124.501	111.716	102.325
	196.016	183.926	175.076
8. Change in Resources			
Council Tax			
Impact of accepting CT Freeze grant in 13/14 (falling out in 15/16)	-0.849		
Council Tax increase 1% in 2014/15 and 2% thereafter	1.390	1.390	1.390
Business Rates Retention (BRR) scheme	0.695	0.541	1.390
Local Share - Business Rates (net 50% share)	0.744	0.000	0.000
Local Share - Top Up grant	0.781	0.472	0.000
RSG including rolled in grants	-14.310	-9.863	-4.990
	-12.785	-9.391	-4.990
	183.926	175.076	171.476
9. TOTAL RESOURCES			
NET SHORTFALL	8.661	21.691	32.471
SHORTFALL IF PERMANENT SAVINGS ANNUALLY	8.661	13.030	10.780

FORECAST GAP V's CURRENT FUTURE COUNCIL KLOE POSITION

	Future Council KLOE Position 2014-2018 £ M	2014/15 £ M	2015/16 £ M	2016/17 £ M
<i>Remaining gap to address over the period</i>	41.923	18.113	13.030	10.780
<u>Future Council KLOE Position</u>				
Current Future Council KLOE's				
Children, Young People & Families	1.583	1.583	-	-
Adults & Communities	3.541	3.541	-	-
Development, Environment & Culture	2.863	2.863	-	-
Corporate Services				
Legal & Governance	0.143	0.060	0.083	-
Finance, Property & IS	1.480	1.118	0.363	-
HR, Performance & Comms	0.223	0.203	0.020	-
Current Cross Cutting KLOE's	0.084	0.084	-	-
Sub Total Future Council KLOE Position	9.917	9.452	0.465	-
Revised gap	32.006	8.661	12.565	10.780

SUMMARY POTENTIAL STAFFING IMPLICATIONS OF FUTURE COUNCIL KLOE POSITION

STAFFING SUMMARY		2014/15	2015/16	Grand Total
a.	Total number of FTE's being reduced	143.80	9.00	152.80
b.	Total number of positions being reduced	156	9	165
c.	Of which are currently vacant	5	0	5
d.	Meaning a total number of people potentially at risk of redundancy of: (b-c)	151	9	160

CYPF 2014/15 KLOE Position

KLOE Reference	Brief Description of KLOE	Estimated saving 2014/15	Number of potential redundancies 2014/15
LLAE/C1 & C2	Reconfiguration which will consider a management restructure, of Targeted Information, Advice and Guidance and Youth Offending services. Also a proposal to close a number of youth clubs, reduction in opening hours and days of existing clubs and a reduction in mobile provision.	451,000	20
SSPC/A5	Fundamental review resulting in a business/growth plan outlining the ways in which Moorland Plastics can reduce its reliance on Council finances over a four year period, and secure the future of the services and provision offered by Moorland Plastics by becoming financially independent and sustainable.	150,000	-
SSPC/A6/CCC1	Review all provision within Community Learning Centres and Business Centres to ensure targeted support for vulnerable groups, families and low skilled and/or workless young people and adults, including the closure of a number of Business Centres.	160,000	8
SHSC/A2	Review of Education Welfare Officers function to ensure a focus on core tasks and to explore increased income generation through charging arrangements to schools and academies for EWO services.	20,000	-
SHSC/B3	Review services which promote inclusion for children /young people with disabilities and special educational needs in educational settings to improve efficiency including reducing staff costs and become self financing via income generation in respect of base budget support.	200,000	-
SSPC/A7 & A8	Review information management and project management services redesigning these, where appropriate, to focus on priority work packages and projects. Examine a potential reduced scope focusing on priorities, core business and efficiency processes. Review charging models for schools and other establishments.	25,000	-
SSPC/A12	Review business support services across the directorate and reduce staffing and activity alongside associated expenditure.	47,000	2
SSPC/D4	Review across all Strategic Service Partnerships and Commissioning services with a view to redesigning and reducing service.	100,000	-
SSPC/B5/CCC6	Review of strategic, joint and service commissioning budgets. This will mean reducing the budgets which are used to fund front line early intervention and therapeutic support to families, currently delivered through contracts with the Third Sector.	185,000	-
SSPC/D3	Review CYPF AED's, Heads of Service and other management posts to reduce the overall structure in line with the service efficiency agenda.	245,000	4
		1,583,000	34

Adults & Communities 2014/15 KLOE Position

KLOE Reference	Brief Description of KLOE	Estimated saving 2014/15	Number of potential redundancies 2014/15
AC/D/7	Further review of day opportunities within the Learning Disability service to consider scope for further efficiencies resulting from changing demand.	100,000	-
AC/JC/10	Whole system re-design of existing day care provision for older people, savings likely to come from cessation of in house provision which is operating below capacity.	200,000	-
AC/JC/15	Review of arrangements for providing people with low level equipment and aids to consider moving to signposting people to where they can buy their own equipment rather than BMBC providing them with these.	75,000	-
AC/JC/9	Renegotiated contract price for provision of intermediate care beds.	50,000	-
AC/JC/16	Reduction in funding to SWYPFT for Mental Health social care services.	140,000	-
AC/VA/8	Reconfiguration of assessment and care management and associated pathways and processes aligned to a revised model of social care 'Inverting the Triangle'.	519,000	14
AC/VA/9	Further reduction in funding for long term care for Older People resulting from the continued impact of re-ablement reducing the needs for long term care.	408,000	-
AC/VA/12	Previous year reduced premises costs associated with Assessment and Care Management teams.	35,000	-
AC/JC/5	Reduction in funding services commissioned to provide housing related support to vulnerable adults (Supported Living / Community Alarms)	823,000	-
AC/JC/11	Further review of contracts with providers for the provision of advocacy / preventative services for vulnerable adults and service user and carer involvement services.	266,000	-
CC/TC/1	Business cases to be developed to demonstrate the need to consider 5 in 7 enhancements being reduced to make services more competitive with the external market	390,000	-
BS/DS/1	Review of Registration Service following integration into Barnsley Connects, seeking efficiencies from reconfiguration.	125,000	5
AC/A2S/15	Ongoing review of administrative support functions to the Directorate	60,000	2
AC/AS/19	Replacement of coach built buses with van built buses for transporting vulnerable adults to day services	50,000	-
AC/AS/20	Further review of arrangements required for the provision of service user and carer involvement services.	270,000	-
AC/AS/21	Previous year reduced costs of ICT hardware provision for associated social care systems.	30,000	-
		3,541,000	21

Development, Environment & Culture 2014/15 KLOE Position

KLOE Reference	Brief Description of KLOE	Estimated saving 2014/15	Number of potential redundancies 2014/15
DEV/CC/3	A further review of the service will lead to additional savings from management / supervisory posts. Further details will be provided in due course.	218,000	4
DEV/ENV/12	A further restructure of the service will lead to the reduction of an additional Head of Service. The exact location in terms of the specific service is not known at the moment.	70,000	1
AC/CS/4	The introduction of a more generic role of Enforcement Officer, following the establishment of the function in Development, Environment and Culture will lead to efficiency savings.	100,000	-
DEV/ECH/1	The management fee payable to BPL will be reduced by a further £100k. This reflects the business success of Barnsley Premier Leisure.	100,000	-
DEV/ECH/6	Bereavement Services fees will be increased by 6% which is the second year of a two year strategy.	48,000	-
DEV/SGR/6	The newly formed Development team will be the subject of a restructure. The exact nature and likely effect is currently being determined.	236,000	6
DEV/ENV/16	Various efficiency savings within Environment which includes;- reduction in senior managers, a redesign of the recycling / refuse service, fewer maintenance operatives, improved waste disposal contracts and improved trading surpluses.	1,300,000	26
DEV/ENV/17	Reducing services in Neighbourhood Pride, Waste Management and Highways.	750,000	24
DEV/ENV/3	Final adjustment to the Engineers trading surplus, this assumes full order books etc.	20,000	-
DEV/PR/4	The removal of a post of Technical Assistant in Regulatory Services.	21,000	-
		2,863,000	61

Corporate Services 2014/15 KLOE Position

KLOE Reference	Brief Description of KLOE	Estimated saving 2014/15	Number of potential redundancies 2014/15
LEGAL & GOVERNANCE			
BS/LS/7	Rationalise business support as part of wider integration of business support for other corporate functions. * This would need to be part of a wider cross cutting KLOE and the saving show reflects estimated contribution to that wider exercise.	50,400	2
CE/CGU/1	Reduction of Members' Services from two posts to one, with service focussing on maintaining the scheme of Members allowances and processing of orders and invoices, e.g. for travel and surgeries. Members will need to maintain their own electronic diary.	10,000	-
		60,400	2
FINANCE, PROPERTY & IS			
F&P/FBS/11,14&18	Review of Financial Services division.	337,000	8
F&P/IARM/1	Review of Audit & Risk Management division.	63,000	2
CE/IS/1&6	Fundamental review of Information Services Division; ensuring the division has the capability and capacity to support core ICT systems, information management and security, contract management and known key programmes of work. Recommending best structural fit based on industry standards and best practice.	297,200	5
CE/IS/15	Reduce the number of computer assets procured from Bull over and above the contract baseline.	62,000	-
F&P/BT/1 & 2	Review of staffing within Benefits & Taxation service including Benefits, Taxation, Development and Support & Financial Assessments.	77,246	14
F&P/BT/4	Increase court costs in relation to recovery action taken for Council Tax and Business Rates.	50,000	-
F&P/PP/14	Review of all functions provided by NPS in relation to Asset Management to identify areas for potential cost savings.	58,000	-
F&P/PP/17	Reduction of the core service payment to NPS Barnsley currently built into the contract payment schedule.	135,180	-
F&P/PP/11	Cleansing of mail to take advantage of Royal Mail discounts through investigating the possibility of using a hybrid mail solution.	38,000	-
		1,117,626	29
HR, PERFORMANCE & PARTNERSHIPS & COMMS			
CE/HR/2	Review of Directorate support team. This is dependent upon a number of factors including extending training to managers.	68,000	1
CE/HR/3	Review of HR Health, Safety and Emergency Resilience team. This is dependent upon the future size and shape of the Council post March 2013.	20,000	-
CE/HR/4	Review of Performance & Development Division. This is dependent upon securing investment in key technology projects.	29,000	1
CE/HR/5	A full review is to be undertaken within the HR Strategic Recruitment & Safeguarding (including Workstyle) team.	43,000	1
CE/HR/6	A review and realignment of team leaders within the HR division.	43,000	1
		203,000	4
TOTAL CORPORATE SERVICES			
		1,381,026	35

Cross Cutting 2014/15 KLOE Position

KLOE Reference	Brief Description of KLOE	Estimated saving 2014/15	Number of potential redundancies 2014/15
CC/TR/3	Introduction of eco engines - New technology has brought about vehicles that have significantly improved fuel economy. This KLOE brings about the resultant savings to the Councils fleet.	4,000	-
CC/TP/1	Other third sector payments (not Directorate specific)	80,000	-
	<i>Sub-Total Cross Cutting</i>	84,000	-

OVERALL 2014/15 SAVING PACKAGE	9,452,026	151
---------------------------------------	------------------	------------

SECTION 6

SERVICE AND FINANCIAL PLANNING 2014/15 - 2016/17

RECOMMENDATIONS

- 1.1 The proposals for the development of the 'Future Council' at **Section 1** be noted;
- 1.2 The overview of the Medium Term Financial Plan at **Section 2** be noted;
- 1.3 The Medium Term Forecast at **Section 3** be noted;
- 1.4 The summary positions of the current Key Lines of Enquiry included at **Section 4** be noted;
- 1.5 The Key Lines of Enquiry set out in **Section 5 (a) – Children, Young People & Families**, totalling £1,583,000 be agreed;
- 1.6 The Key Lines of Enquiry set out in **Section 5 (b) – Adults and Communities**, totalling £3,541,000 be agreed;
- 1.7 The Key Lines of Enquiry set out in **Section 5 (c) - Development, Environment & Culture**, totalling £2,863,000 be agreed;
- 1.8 The Key Lines of Enquiry set out in **Section 5 (d) – Corporate Services**, totalling £1,381,000 be agreed;
- 1.9 The Key Lines of Enquiry set out in **Section 5 (e) –Cross Cutting**, totalling £84,000 be agreed;
- 1.10 The Assistant Chief Executive HR, Performance and Communications be requested to take appropriate action in relation to the specific KLOE above to issue appropriate notifications for consultations with staff and trade unions.
- 1.11 That SMT undertake appropriate impact assessment analysis and consultation with reference to its public sector equality obligations and that further reports are submitted to the Cabinet as appropriate.
- 1.12 SMT be requested to identify additional KLOE to address the remaining forecast gaps in 2014/15 and future years for further consideration as part of the service and financial planning process.

