

Central  
Bedfordshire  
Council  
Priory House  
Monks Walk  
Chicksands,  
Shefford SG17 5TQ



**TO EACH MEMBER OF THE  
EXECUTIVE**

30 November 2010

Dear Councillor

**EXECUTIVE - Tuesday 7 December 2010**

Further to the Agenda and papers for the above meeting, previously circulated, please find attached the following report that was marked 'to follow' on the main Agenda:-

**Item No 8      Corporate Budget Strategy Update**

To consider an update on the Corporate Budget Strategy.

Should you have any queries regarding the above please contact Devina Lester, Senior Democratic Services Officer on Tel: 0300 300 6258.

Yours sincerely

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**Meeting:** Executive  
**Date:** 7 December 2010  
**Subject:** Corporate Budget Strategy Update  
**Report of:** Cllr Maurice Jones, Portfolio Holder for People, Finance and Governance  
**Summary:** The report provides an update to the Corporate Budget Strategy reported to the Executive on 2 November following the Comprehensive Spending Review announcement on 20 October 2010.

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**Advising Officer:** Richard Ellis, Director of Customer and Shared Service  
**Contact Officer:** Matt Bowmer, Assistant Director Financial Services  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Executive  
**Key Decision** No  
**Reason for urgency/  
exemption from call-in  
(if appropriate)** Not applicable

#### **CORPORATE IMPLICATIONS**

##### **Council Priorities:**

The report sets out proposals designed to help the Council respond to the financial challenges facing the public sector as a whole but, at the same time, enable it to deliver to its priorities.

##### **Financial:**

Set out in the report.

##### **Legal:**

The Local Government Finance Act 1992 stipulates that the Council must set an amount of council tax payable for the financial year 2011/12 by 11 March 2011.

Before calculating the level of council tax payable, the Council must consult representatives of non-domestic ratepayers in its area.

The Council's Constitution requires the Executive to publish a timetable for making proposals to the Council in respect of the budget.

The proposals outlined in Appendix A to the report may result in some employees being made redundant. In those circumstances, the Council is required to undertake

consultation with appropriate representatives of the employees who are affected by the proposals. This consultation must begin in good time and, where at least 100 employees are affected, then the consultation must begin at least 90 days before any employees are dismissed.

**Risk Management:**

Proposed budget reductions of this kind present key risks to the Council:

- Demand: The wider impact of the current economic climate on local residents is placing further demands on the Council's services, at a time when the Council needs to reduce spending due to constraints on public expenditure.
- Reputation: If stakeholder engagement is not managed effectively, the need for the Council to take difficult decisions in response to the contraction of public expenditure will not be understood.
- Delivery: The delivery of the agreed savings proposals will need to be effectively managed to ensure they are realised in practice.
- Priorities & Outcomes: The Council needs to ensure that its spending decisions reflect its priorities and the outcomes it wishes to secure on behalf of its residents.

**Staffing (including Trades Unions):**

The staffing implications are set out in the report.

**Equalities/Human Rights:**

In developing the Budget Strategy, the Council must ensure that decisions are made in such a way as to minimise unfairness, and that there is not a disproportionately negative effect on people from different ethnic groups, disabled people, and men and women. Equality Impact Assessments are being undertaken for all savings proposals, where relevant, and the findings will be reported to Members in the New Year as part of the budget setting process.

**Community Safety:**

Any potential changes or reductions in budgets may have an impact on the delivery of community safety priorities in the future.

**Sustainability:**

Key sustainability agenda, such as climate change, represents opportunities for the Council to make efficiency savings by decreasing energy use and the total spend on energy, for 2008/09 this was £3.4 million (including schools). Failure to take action leaves the Council vulnerable to the impact of increasing energy prices.

**Summary of Overview and Scrutiny Comments:**

- Overview and Scrutiny Committees will consider the savings proposals in their December cycle of meetings.

**RECOMMENDATION(S):**

that the Executive

- (a) **Acknowledge the additional challenges facing the Council in view of the Government’s Spending Review announcement and the expected reduction in funding for local authorities, including its profiling.**
- (b) **Invite Overview & Scrutiny and other stakeholders to comment on the supplementary saving proposals in Appendix A (Supplementary Savings Schedule)**

*Reason for Recommendation(s): So that the Council is prepared to introduce and implement a budget for 2011/12, through the active engagement of Members, Staff, Customers and Stakeholders.*

**Executive Summary**

The funding assumptions made in the Corporate Budget Strategy were broadly in line with the overall funding settlement for local government set out in the Spending Review announcement on 20 October 2010.

However, more up to date information has shown the profile of the reductions to be front loaded with a greater impact on 2011/12. An early assessment of the impact has been made and further savings proposals are now considered appropriate.

**INTRODUCTION**

1. The Corporate Budget Strategy report to Executive set out Central Bedfordshire’s response to the Coalition Government’s policy direction and to an anticipated reduction in funding of £36M over the medium term, with £14.5M of this sum impacting on 2011/12.

**Spending Review 20 October 2010**

**Headlines**

2. The initial headlines from the Spending Review announcement on 20 October were for a 28% funding reduction over the next four years in contrast to the 25% anticipated. Given the £100M per annum received in Government Grant, the additional 3% reduction is equivalent to £3M over the four year period of the review.
3. However, whilst the headlines were for an average reduction of 7% per annum, the detail of the announcement sets out a ‘front loading’ of the reductions. There will not be complete clarity about the specific implications for each council until the Local Government Finance Settlement. Currently, the following are the profiled reductions in Formula Grant and specific/area based grants reflected in reduced Department Expenditure Limits for the Whitehall spending departments.

	2011/12	2012/13	2013/14	2015/16
Formula Grant	-10.7	-6.4	-0.9	-5.6
ABG/Specific Grants	-12.7	-7.6	-1.1	-6.6

4. There is further detail emerging on a daily basis with the position very much complicated by transfers being made between different grant streams.

**Other elements of the announcement**

5. There are a number of other elements of note in the more recent announcement:
  - Council Tax freeze. There is to be a 2.5% grant to compensate councils freezing their Council Tax increases across the four year review period.
  - There will be a reduction in the number of funding streams, down to ten from 1 April 2011 and there will be no ring fencing, with the exception of the Dedicated Schools Grant and a new Early Years Intervention Grant.
  - The total Formula Grant sum for distribution nationally includes an additional £0.5bn for Personal Social Services.
  - There is to be a new grant – the New Homes Bonus to support housing growth which will match increases in the Council Tax base pound for pound from 1 April 2011.
  - Borrowing rates from the Public works Loan Board (PWLB) will increase by 1% from 1 April 2011.
  - There is a fund of £200M nationally to support ‘internal restructuring’. This will effectively enable redundancy costs to be capitalised but it is a relatively small fund in the context of the overall reductions.
6. At this point in time, the front loading of Formula Grant, Area Based Grant and Specific Grant reductions offset by the 2.5% Council Tax ‘compensation’ puts an additional pressure of £2.7M on the Council’s finances in 2011/12.
7. It should also be remembered that the distribution of Formula Grant has been subject to consultation, with the outcome expected in mid December. There will in all likelihood be ‘floors’ and ‘ceilings’ to dampen any swings in funding. There is an expectation that resources will move from northern to southern authorities but ‘floors’ and ‘ceilings’ will impact on this movement in the short term.

**STRATEGIC RESPONSE**

8. The policy approach, organisational values and financial management processes adopted by the Council during its first two years of operation will continue to drive the strategic response which will be characterised by rigour, responsibility and realism. The policies outlined in the 2 November Budget Strategy Report will be followed including:
  - Getting the Basics Right – Base Budget Review
  - Driving Efficiencies
  - Collaboration and Partnership
  - Empowering Individuals and Communities
  - Protecting the truly vulnerable

**BASE BUDGET BUILD**

9. A major component of the budget process for 2011/12 has been the Base Budget Build.
10. This has been a highly valuable undertaking to give greater assurance that the Council’s cost base is accurately reflected in its revenue budget.

11. The build has been based on the forecast outturn position for 2010/11 taking account of the budget management information at 30 September 2010. Whilst the forecast outturn position is much improved, as detailed in the Budget Management report also on this agenda, it reflects a number of one off measures and the holding of vacancies and discretionary spend which is not sustainable in the longer term.
12. The full detail of the Base Budget Build is being presented to the December cycle of Overview & Scrutiny meetings.

**OTHER FUNDING CONSIDERATIONS**

13. The opportunity has been taken to review a number of the funding streams in the Corporate Budget Strategy.
14. The Strategy currently assumes a 0.6% increase in the Council Tax Base for 2011/12. The increase for the current financial year was 1.2% and it is appropriate to build in a similar increase for 2011/12, in view of some improvements in house building as the economy continues to recover from the recession.
15. The Executive harmonised the Empty Homes Discount at its November meeting and this will also have a positive impact on the Council Tax base.
16. Finally, the New Homes Bonus is mentioned above and this new funding stream will broadly match any growth in the Council Tax base. The Budget Strategy has removed the dependence on the demised Housing Planning Delivery Grant, so this new grant will benefit the overall finances of the Council. The latest information here does suggest that the funding will be linked to average precepts nationally rather than those set by Central Bedfordshire which will make forecasts less straightforward.

**OVERALL POSITION**

17. The table below summarises the latest position for the Council's finances in 2011/12. It cannot be emphasized enough, however, that more information is emerging on an almost daily basis and this position is very likely to change.

	£M
Initial Gap	14.6
Spending Review	2.7
Base Budget Build	6.0
Additional Resources	-2.5
	20.8

18. The overall funding gap for 2011/12 is now £6.2m greater than reported in the November report.

## RESPONSE

19. It has therefore been necessary, in a relatively short period of time, to formulate further savings proposals over and above those reported in November to address the increased funding gap. These additional savings amount to a further £8.3M for 2011/12 and are set out in Appendix A (Supplementary Savings Schedule). These include:
- a number of service specific proposals (£5.6M);
  - a general increase in fees and charges in excess of inflation (£0.25M);
  - reduced inflationary provision on supplies and services (£0.5M);
  - a re-evaluation of capital financing costs as a consequence of the Capital Programme Review now approved by Council (£0.4M); and
  - additional income of £1.6M if the Council Tax levels across the authority were not harmonised from 1 April 2011
20. In the Appendix there are several options put forward for a number of the proposals. The higher figure has been taken into account in the total figure in Paragraph 18. Also, these savings are all full year and further work is being undertaken on phasing, as the full year effect is unlikely to be realised in 2011/12. Also underway are:
- a review of the Authority's top ten contracts by value with a review to delivering these at a lower cost ;
  - a review to reduce the number of meetings;
  - a review of all posts which have been vacant for more than six months; and
  - a review of options to consider investment to kick start service delivery through the voluntary sector.

## COMMUNICATION AND ENGAGEMENT

21. The Corporate Budget Strategy has been proactively communicated to a wide range of individuals, organisations and groups to enable all interested parties to have their say on the proposals.
22. Various communication methods have been used. These include face to face meetings with groups such as the Carers Forum, Older People's Reference Group, the Youth Parliament, School Governors and Headteachers' Forums, the Business Community and Third Sector Assembly. There has also been direct communications to service users and stakeholders. Public communication has been managed through the Central Bedfordshire Council website, News Central (the Council's community magazine) and Let's Talk Central, the Council's social media site.
23. Residents and stakeholders will continue to comment on the proposals through on line and conventional communications. All feedback will be collated and summarised for Member consideration in the January and February Executive reports.



**TIMETABLE**

24. The key milestones for Council to agree its budget in February are set out in Table 3 below.

Table 3

<b>Date</b>	<b>Body</b>	<b>Outcome</b>
Early December	CLG	Local Government Finance Settlement
December	Overview & Scrutiny	Consideration of savings proposals and base budget build
11 January 2011	Executive	Draft budget 2011/12
17 January	Overview & Scrutiny	Comment on Draft Budget
8 February 2011	Executive	Recommends final Budget
24 February 2011	Council	Approves Budget

**Appendices:**

Appendix A - Supplementary Savings Schedule for consultation

**Background Papers:** (open to public inspection)

None

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Appendix A

**SUPPLEMENTARY SAVINGS PROPOSALS**

**SOCIAL CARE HEALTH & HOUSING**

**SCHH19 – Supplementary - Remodelling of the Assessment and Care Management Teams – Efficiency**

**Background**

The current Assessment and Care Management teams arrange adult social care support for older people, people with disability and learning disabilities. They are made up of 67 professionally qualified Social Workers (78%) and 19 Community Support workers (22%). The approach to delivering adult social care is changing with more emphasis on self assessment and personal budgets that will require our workforce to have a broader range of skills.

**Rationale for Service Change**

Changing the skill mix will reduce the cost of the services. This would mean a reduction in the number of professionally qualified staff and their work would be directed towards more complex cases (e.g. safeguarding and complex needs). We would look to increase the number of Community Support Workers who would focus on assisting customers with support planning to achieve the personalisation agenda.

**Financial Implications**

An initial proposal (DS64) for this efficiency was included for 2011/12 and would deliver further savings in 2012/13 and 2013/14. This proposal brings forward an additional £0.1M from 2012/13 into 2011/12 which takes the total to £0.3M.

**Service Implications and Impact**

There would be a need to allow 90 days consultation with the employees concerned and this may cause concern amongst the councils current adult social care customers.

**SCHH20 - Supplementary - Remodelling of services for People with Learning Disabilities – Efficiency**

**Background**

The current Domiciliary Care (including Respite Services) and Assessment & Resettlement service supports adults with learning disabilities in supported living environments. The team has 57 full time equivalents with a total salary budget of £1.64M

**Rationale for Service Change**

Better use of in house staffing resources and more flexible opportunities for customers.

### **Financial Implications**

An initial proposal (DS70) for this efficiency was included for 2011/12 and would deliver further savings in 2012/13 and 2013/14. This proposal brings forward an additional £0.2M from 2012/13 into 2011/12 which takes the total to £0.35M.

### **Service Implications and Impact**

There will be no direct impact on our customers although there will be a need to allow a 90 day staff consultation and current customers may be concerned.

### **SCHH21 – Supplementary - Learning Disabilities Commissioning Transfer – Efficiency**

#### **Background**

As part of the Campus Closure programme funding of £9.6M has transfer from the PCT to the Council to pay for a number of contracts and care packages for adults with a learning disability.

#### **Rationale for Service Change**

The contracts mentioned above were inherited from the PCT and the target is to make contract efficiencies in 2011/12.

#### **Financial Implications**

It is estimated that this proposal could deliver £100,000 saving.

#### **Service Implications and Impact**

There will be no direct impact on our customers although this may result in opposition from current providers.

### **SCHH22 - Supplementary – Reduction in the Transforming Peoples Lives Service – Efficiency**

#### **Background**

A project team was established to begin to implement the outcomes of the Transforming Peoples Lives (TPL) agenda. The team has 5 full time equivalents with a total salary budget of £0.2m

#### **Rationale for Service Change**

The Council has now passed the project stage of implementing the TPL agenda and there is a need to integrate this practice into the rest of the service.

#### **Financial Implications**

It is estimated that £0.12M will be saved by implementing this efficiency.

#### **Service Implications and Impact**

There will be no direct impact on our customers although there will be a need to allow a 90 day staff consultation.

**SCHH23 - Supplementary – Management Review of the Commissioning & Partnership team – Efficiency**

**Background**

The Commissioning and Partnership team provides strategic commissioning, contract monitoring and compliance and service user participation. The team has 19 full time equivalents with a total salary budget of £0.742M

**Rationale for Service Change**

To undertake a review of the service to ensure the structure and roles are fit for purpose and provide value for money.

**Financial Implications**

There will be a potential reduction on 2 FTEs which will deliver a saving of £50,000 in 2011/12.

**Service Implications and Impact**

There will be no direct impact on our customers although there will be a need to allow a 90 day staff consultation. This could lead to a lower level of support to the voluntary sector and user representative groups.

## **CHILDREN'S SERVICES**

### **CS5a – Remodelling of services to Young People including the Youth Service – Service Reduction**

#### **Background**

The proposals will move the youth service and all other cross directorate services that support young people towards less Council run provision and more volunteering. A commissioning approach with schools and volunteers will be adopted, focusing on the truly vulnerable.

#### **Rationale for Service Change**

The Council will move to supporting young people through external partnership arrangements. To make provision for young people and to listen to their views is a statutory requirement. The Council has discretion over the way it delivers this provision. This change will involve the re-commissioning of youth clubs and other youth provision in consultation with the voluntary and third sector. Services to young people will be brought into a single point of contact within the Directorate with a focus on the truly vulnerable. A review of the cost of the Youth Offending Service will also be undertaken to maximise efficiency.

#### **Financial Savings**

This will bring a saving of £1.898M in 2011/12. This can be achieved by the reduction of both full time equivalent and part time posts and the closure of all youth centres unless partners can be obtained to run them at no cost to the Council. The Government may offer some funding for activities for young people in 2011/12. This is as yet unknown. This proposal is challenging as there will be no time for capacity building with schools and the voluntary sector.

#### **Service Implications and Impact**

The reduction of posts will require application of the Council's Management of Change Policy.

The role of the Council will change towards partnerships and volunteering in line with the "Big Society" initiatives.

Members will notice that local services are delivered increasingly in partnership with the voluntary sector.

### **CS9a - Music Service – Service Reduction for the financial year 2011/12**

#### **Background**

The Music Service is a shared service providing support and tuition to pupils across the Bedford Borough and Central Bedfordshire. The Music Service is currently funded from both Council's budgets and the Standards Fund. This proposal removes Central Bedfordshire Council's contribution by the end of the summer term 2011.

### **Rationale for Service Change**

In light of the review by Government of the Standards Fund and the Council's own savings targets, steps to reshape and refocus the service are on-going. This proposal will remove the Council's contribution to the music service with a view to full cost recharge on all activity offered to schools or parents.

### **Financial Savings**

This will bring a saving of £272K in 2011/12. A music service re-organisation will occur during 2011/2012 building on the 2010/2011 management re-organisation and the number of posts affected will be identified at that time. This review will be informed when the outcome of the national Henley Review on funding for music services is known. It closed the call for evidence in October 2010 but the publication date is unknown.

### **Service Implications and Impact**

The reduction of posts will require application of the Council's Management of Change Policy.

Schools and Parents will be asked to buy back at full cost.

## **CS2a Education Welfare Officers – Efficiency/Service Reduction**

### **Background**

Education Welfare Officers work with schools to ensure statutory school age children are in regular attendance. They also provide advice and support on community issues. The work involves liaison with schools and thereafter undertaking of enforcement procedures as required.

### **Rationale for Service Change**

This service is a statutory requirement. This savings proposal is to reduce the service to a minimum statutory requirement. Pupil attendance in our schools is good when benchmarked against our statistical neighbours. Future provision will be focused on the truly vulnerable pupils and schools. The savings proposals set out in 2<sup>nd</sup> November 2010 consulted upon £100k reduction as efficiency. A further £100k would lead to service reduction as the service would respond to emergencies only.

### **Financial Savings**

This will bring a further saving of £100k. This can be achieved by service restructure and the deletion of 2 full time equivalent posts.

### **Service Implications and Impact**

The reduction of posts will require application of the Council's Management of Change Policy.

Some schools may receive reduced levels of support.

## **DIRECTOR OF SUSTAINABLE COMMUNITIES**

### **Division: Economic Growth, Skills and Regeneration**

#### **EGRS 1**

#### **Title: Merge the Community Involvement and Community Engagement Teams – Service Reduction**

##### **Background:**

The Community Involvement Team has delivered a central discretionary service in supporting the 3 priority neighbourhoods in Downside, Parkside and Tithe Farm. The work is delivered by a Manager, 4 Community Development posts and one Administrative post. Neighbourhood Improvement Plans have been developed and adopted by the wider LSP.

The team has also led on Town and Parish Planning, Training Community Planners and Community Volunteers in how to undertake and encourage community participation and research. Their expertise in providing the outreach and connection particularly into neighbourhoods and community involvement skills are not replicated anywhere else in the Council. They work with a broad number of community volunteers and agencies particularly those active in the priority neighbourhoods. Without support it is not likely that those relationships will continue.

##### **Rationale for Service Change:**

The introduction of the new Community Engagement Strategy encourages a greater role for Town and Parish Councils. Dunstable TC has expressed interest in discussing the support for Downside being led by the Town Council team. Houghton Regis TC has not to date. The corporate community engagement team and the greater emphasis on community and neighbourhood plans requires a different service approach for all our services and perhaps where additional facilitation needs to be considered to be led by the Community and Voluntary sectors.

No external regeneration funding is expected to support community and neighbourhood regeneration.

##### **Financial Savings**

The proposal will generate a full year saving of £0.3m (£0.2m in 2011/12) Staff includes one FTE team leader, 1 FTE Admin G3, 2.81 FTE (3 posts) officer plus – total 4.81 FTE (5 posts), Plus one vacant officer post.

##### **Implications**

Neighbourhoods Improvement Plans and groups will be unsupported. No dedicated community development work will be carried out in the Council. The expertise and skills in community participation will be lost and when required will need to be procured at potentially higher cost.

This proposal will leave one regeneration officer in the rest of team to lead on the regeneration skills and worklessness agenda in a commissioning role only.



## **EGRS 4**

### **Title: Remodelling of the Library Service – Service Reduction**

#### **Background:**

Central Bedfordshire operates 12 libraries. A full and comprehensive review to fully establish the impact and implications will begin as the new Head of Service joins the authority in January 2011.

#### **Rationale for Service Change:**

To contribute to the corporate savings target.

#### **Financial Savings:**

The service as a whole costs the Council £3.3m. This can be considered under the 3 main headings below:

1. Library professional core operational management and relief staff  
£0.880m
2. Library IT system, book stock and Library Link £1.070m
3. 12 Area Libraries costs £1.390m

This proposal sets a full year savings target of £0.350m (£0.225m in 2011/12). The savings will be generated from a review of the service management structure, reductions in the shared hub support and reduction in the level of new book and other resources purchased.

No library closures are proposed. A full review of the library service area operations would continue.

#### **Implications:**

The library provides not only the expected book service but also a range of places for public and family use. The review will consider the options for combining public services in our towns and villages. The experience of Arlesey has shown that if managed, the community can successfully operate library services with the access to the hub and professional libraries support at a reduced cost.

As many of these activities from which savings are to be found are provided to the whole of Bedfordshire, including Luton via a shared service agreement, mutual negotiations will be required.

There will be a reduced level of new books and other resources purchased. Staffing implications are to be determined.

**Title: CSPPWL 4 Closure of HWRC - 2 days per week – Service Reduction**

**Background**

A saving to reduce hours of operation is currently under negotiation. This proposal is to close 2 days/week. Consideration will be given to cooperating on closures times with HWRCs operated by neighbouring authorities.

**Rationale for Service Change**

To meet corporate savings target.

**Financial Savings**

To be negotiated, estimate £60,000 full year saving.

This is an indicative figure, based on cost per year for all 4 sites in Central Bedfordshire.

**Service Implications and Impact**

Timing – it is logical to bring closure on 2 days/week in at the same time as reduced opening hours. Cost of implementation and contract costs may impact on savings.

**Community Safety**

**Title: CSPPWL 1 Remodelling of the Community Safety Team - Service Reconfiguration**

**Background**

The Community Safety team is key in delivering the Council's Community Safety priorities. It is a major contributor and leads in the statutory Community Safety Partnership.

**Rationale for Service Change**

Contribution to corporate savings target.

**Financial Savings**

£30,000 full year saving (£15,000 in 2011/12)

**Service Implications and Impact**

The current team would be reconfigured to deliver against new priorities to deliver the saving whilst maintaining statutory responsibilities.

**Title: CSPPWL 5 Remodelling of Waste Services – Service Reconfiguration/Reduction**

**Background**

Remodelling of the service to enable delivery of key priorities and maintain performance at an acceptable level.

### **Rationale for Service Change**

Savings and vacant Waste Strategy Manager post enable review of minimum requirements to deliver BEaR, maintain reasonable level of performance and reduce financial risks.

This proposal will bring together visible presence team to combine: Waste Minimisation team, (3) Education and Promotions Officers (2), with Environmental Protection team under one Team Leader, reporting to Community Safety Operations Manager under Safer, Cleaner, Greener agenda. Overall reduction of one Waste Services FTE Team Leader post from Waste Services.

Job descriptions to be amended and re evaluated to reflect this.

### **Financial Savings**

£30,000 full year saving (£15,000 in 2011/12)

### **Service Impact**

Further reduction in team resource. Expect overall 1FTE reduction.

### **Leisure**

#### **Title: CSPPWL 6 Sports Development and Play Service – Service Reconfiguration/Reduction**

### **Background**

Sport and play development provides a range of sporting and play opportunities across ages. Service outcomes contribute to targets in adult participation in sport, Childhood Obesity in year 6, and the range of Every Child Matters Outcomes.

The Team provides/delivers:

- Develop sports through the leisure management contracts – swimming has been the main sport developed.
- Maximise external funding to increase sport, physical activity and play opportunities.
- Increase participation and performance in sports, physical activity and play via competition, (sports hall athletics) club development, sport and play activity programmes, after school clubs.
- Administer activity programmes and equipment loan schemes.
- Develop and deliver programme for specialised and vulnerable service users eg 'Aiming high for disabled children'.
- Provide training and information in Child Protection, Health and Safety and Sport and Play to partners.

- Provide training and work experience to individuals that enable them to develop careers in play and sport development, and support club and coach development.

### **Service Implications and Impact**

This proposal deletes the Sport Development and Play Service.

This includes 5 FTE posts and temporary seasonal staff who deliver the activity programmes.

There are Specific commitments in 2011/12 that the team is involved in include:-

- Aiming High for Disabled Children.
- Administering and delivering Team Beds and Luton physical activity programme.
- Delivering NHS MEND programme (a childhood obesity programme) 12 schemes over 18 months. £30,000 from NHS to December 2011.
- Play Rangers and natural play activity programme. Lottery Grant ends June 2011, extended to end of summer from 2011 by NHS grant.
- Contribution to 3 year funded post employed by Beds FA and other contributions (Team Beds and Luton)

### **Financial Savings**

This proposal offers a minimum of a full year saving of £200,000, however more work is required to establish what part can be delivered in 2011/12.

### **Title: CSPPWL 7 Review provision of outdoor education service with a view to increased efficiency – Service Reduction**

#### **Background**

Central Bedfordshire Council has a Service Level Agreement (SLA) with Bedford Borough Council for this service to which Central Bedfordshire Council contributes £138,000. This service is already contributing £15,000 as part of the 2011/12 saving proposals which will reduce the budget to £123,000 in 2011/12.

#### **Rationale for Service Change**

To contribute to the corporate savings target.

#### **Financial Savings**

A further £123,000 full year saving (£70,000 in 2011/12).

**Service Implications and Impact**

This would remove any subsidy currently being received by schools when participating in outdoor activities at Blue Perris. It would remove the Duke of Edinburgh service. The facility at Kempston currently breaks even. This needs consideration with Bedford Borough council which operates the service.

**Title: CSPPWL 8 Sandy Leisure Centre – Service Reduction**

**Background**

A joint use facility at Sandy Upper School. Contract with Stevenage Leisure is coming to a natural end in March 2012. Currently being included as part of an options appraisal on the tendering exercise on the whole of the contract.

**Rationale for Service Change**

To contribute to corporate savings.

**Financial Savings**

£143,000 in a full year. The contract comes to an end in March 2012 and the option exists not to include it in the retendering exercise. Early termination of the contract will be explored to give a saving in 2011/12.

**Service Implications and Impact**

Other providers may consider running the facility, otherwise the facility would close.

There will be an impact on service users who would no longer be able to use this facility.

## **CUSTOMER & SHARED SERVICES**

### **C&SS16 Reduce Number of Print Rooms to one**

#### **Efficiency:**

**Stage 1: Amalgamate the print two rooms currently located at Priory House and Dunstable.**

**Stage 2: Seek competitive bids for providing a service based on the outcome of the review.**

#### **Background:**

The Council operates 2 print rooms – located at Priory House and Watling House, Dunstable. Both operations use a variety of leased copiers at a current annual cost of £74k to produce approximately 5.5million copies annually. . There are 4 FTEs employed to operate both print rooms.

#### **Rationale:**

There is a strong external market for the production of high volume reprographics. Benchmarking our costs with local authorities that have externalised their reprographics show that significant annual savings could be achieved.

Current Cost of the 2 Print Rooms – 2010 /2011

Leased Machines: £74k

Staff Costs: £115k

Copy Costs based on 5.5 million copies: £277k – including paper

**Total Cost of the 2 Print Rooms 2010/2011: £466k**

#### **2011/12 - Move to a single print room model:**

Lease costs of copiers: £47k (note: reduction of lease costs due to expiry of 3 leases)

Staff Costs: £63k (based on 55% of 2010/11 of staff costs)

Copy Costs: £277k based on combined throughput of both print rooms in 2010/2011. Copy costs remain unchanged

**Total Costs for 2011/ 2012: £387k for a single print room**

Savings 2011/12 – single print room model measured against the current 2 print rooms 2010/2011:

Single print room Savings

Lease costs of Copiers: £27k

Staff Costs: £52k

## Stage 1

**Savings for 2011/2012: £79k by moving to a single print room model**

**If the Service operated from a single print room were to be outsourced from 1.07.2011, the estimated savings for 2011/2012 would be:**

Copier Lease Savings: £35k (based on part year cost July 11 – March 12)

Staff Savings: £47k (based on part year cost July 11 – March 12)

Copy Savings: £208k – (based on part year cost July 11 – March 12)

**Total Savings 2011/2012: £290k**

**Balanced against this would be the copy costs from a new Outsourced Service based on recent estimated benchmarked costs: £144,000**

## Stage 2

**Total savings 2011/12: £146k**

<b>Total Savings for:</b>	<b>Stage 1</b>	<b>£79k</b>
	<b>Stage 2</b>	<b>£146k</b>

**Combined Total Savings: £225k**

## Service Implications and Impact

Rationalising the two print rooms will mean that finished work from one of the locations will need to be couriered to office locations.

## C&SS 19 Transfer of Provision of Public Conveniences.

### Background:

#### **Leighton Buzzard:**

The Leighton Buzzard Public Conveniences were refurbished approximately 5 years ago to a five star award winning standard. They are attended and cleaned under contract at a total cost of around £60,000 p.a. The Town Council make a contribution to these costs of £26,150 p.a. The toilets are physically part of the Multi Storey Car Park leading on to Waterbourne Walk a shopping centre the freehold of which is with CBC.

#### **Dunstable:**

The Dunstable PC's were refurbished last year and are located in the car park to the rear of Ashton Square shopping centre. They are also attended and cleaned under contract at a total cost of around £50,000 p.a. There is no contribution from the Town Council towards the operation of the toilets and the public consider the location in Ashton Square Car Park is too far from the main shopping area in The Quadrant. Many people are asking for the closed PCs in The Quadrant to be re-opened but they are not ours.

**Houghton Regis:**

Houghton Regis PCs form part of the new Library, Community Centre and NHS complex that was constructed using EEDA funds at a cost of circa £5,000,000 and they have been short listed for a national five star award. The cost of operating these attended toilets is around £50,000 p.a. with the cleaning contract being part of the larger contract for cleaning the entire building. There is no contribution from the Town Council towards the cost of operating these PCs.

**Rationale:**

CBC only operates Public Conveniences in the southern half of its area but the old SBDC's policy was to provide one excellent facility in each of its three towns. There are two options available to CBC if it wishes to rationalise its policy across the Council Area and make savings: 1. Close the toilets and have no public facilities available; 2. Ask the Town Councils, or another third party, to undertake the operation of the facilities in their town.

**Financial Savings:**

The closure, or transfer to the Town Councils, will realise savings of £134,000 per annum.

**Service Implications and Impact**

There will be strong community led objections to the closure of the Public Conveniences.

**C&SS20 – Supplementary – Capital Financing Charges**

**Background**

The authority has recently undertaken a significant review of its capital programme. The result of this review was reported to 2 November Executive.

The review was necessary due to the original capital programme of the authority being based on the activities and spending plans of the three legacy authorities being financially unsustainable in the long term. On approval of the 2010/11 capital programme it was recommended that the authority should look to reduce the borrowing associated with the capital programme by 20%.

The agreed 2010/11 to 2014/15 capital programme expected the authority to borrow £11M in support of the 2011/12 capital programme. The authority is seeking to maintain the proposed reduction of 20% in borrowing in the longer term.

For context, it should be noted that each additional £1m of borrowing costs adds £0.85M cost to the revenue base budget.

**Rationale for Service Change**

The authority must instigate a financially sustainable capital programme that is focused on the achievements of its priorities. Maintaining the capital programme above what it can reasonably afford will detrimentally impact on service delivery.



**Financial Implications**

It is anticipated that the associated reduction in borrowing would generate revenue savings of £0.4M per annum.

**Service Implications and Impact**

Each capital scheme is assessed against key criteria, the principal items being that these are supporting the achievement of the council priorities and are statutorily required.

Implications of individual schemes will be considered as part of the capital programme build process.

## **OFFICE OF THE CHIEF EXECUTIVE**

### **OCE9 - Supplementary - Review Provision of Performance Management**

#### **Background**

The proposed OCE structure, following the initial set of budget reduction proposals, left a single 'dedicated' corporate performance officer.

#### **Rational for Service Change**

The initial proposals regarding reduced performance management support reflected the abolition of CAA. Since the development of the initial proposals, the Government has also confirmed abolition of LAAs. This presents an opportunity to merge the one remaining corporate performance officer with the current LAA / Partnerships Manager post.

#### **Financial Savings**

This post reduction would generate an additional saving of £54k for 2011/12.

#### **Service Implications and Impact**

Further reduction of capacity to support:

- corporate performance monitoring / reporting
- 'servicing' of the Council's Performance Management System (once procured)
- LSP Board / Thematic Partnerships in any 'post LAA' partnership based performance management arrangements (e.g. progress in delivering the Sustainable Community Strategy).
- routine performance reporting for Customer & Shared Services directorate.

### **OCE10 – Supplementary – Internal Communications**

#### **Background**

This function includes two generic Internal Communications Officer posts. These posts are largely dedicated to production of regular news products (Members Information Bulletin, Be Inspired, News Review) and organising staff events, such as the Roadshows.

#### **Rational for Service Change**

This proposal deletes these posts – and would require a transfer of editorial services to the media team and event management to the Business Support post.

#### **Financial Savings**

These post reductions generate an additional saving of £74k for 2011/12.

#### **Service Implications and Impact**

This proposal will reduce internal communications capacity and increase pressure on other teams within Communications.

### **OCE11 - Supplementary - Customer Relations / FoI (processing transactions)**

#### **Background**

The Customer Relations team comprises one manager and two officers.

OCE also employs one junior officer to service the transactional side of the Freedom of Information (FoI) requests.

#### **Rational for Service Change**

Both are intrinsically linked to the 'customer' and so this proposal merges the transaction element of FoI work with the Customer Relations Team, deleting one post.

#### **Financial Savings**

This post reduction generates an additional saving of **22k** for 2011/12.

#### **Service Implications and Impact**

Reduced corporate capacity which may delay response times in peak periods.

### **OCE12 - Supplementary - Programme Management – Analysts**

#### **Background**

The initial set of budget reduction proposals included the concept of the business analysts supporting the corporate 'customer management' agenda being self-financing by 2013/14 (i.e. top slicing the efficiencies being made to fund upfront investment costs).

#### **Rational for Service Change**

This proposal could be introduced for 2011/12 for two analysts posts – and see the posts transferring to Customer & Shared Services.

#### **Financial Savings**

This proposal generates an additional saving of **50k** for 2011/12.

#### **Service Implications and Impact**

This proposal intensifies the need for efficiency savings to be delivered from the Customer Management programme – as, in effect, upfront investment activity will need to be repaid.

The proposal has no impact on corporate Programme Management capacity.

### **CE13 - Supplementary - Risk Management**

#### **Background**

OCE recently inherited the responsibility to lead strategic risk management. This responsibility was inherited without funding.

Part of the budget for the recent deletion of the Head of Performance & Risk post had been earmarked to create a lower graded post to support corporate

risk work. (The rest of the budget for the Head of Performance & Risk post has already been declared as a budget reduction).

**Rational for Service Change**

This proposal moves away from the council having a single 'dedicated' risk officer, but leaves a consultancy budget of 25k for council-wide use, if and when required, to buy in specific expertise.

**Financial Savings**

This proposal generates an additional saving of **18k**.

**Service Implications and Impact**

This proposal reduces capacity for corporate risk management work (monitoring / reporting of strategic risks, ensuring some form of consistency of approach to risk management across directorates etc).

## **CROSS CUTTING**

### **CC6a Passenger Transport Review Increased Target**

#### **Background**

A comprehensive, holistic review of passenger transport provided by the Council is underway.

#### **Rationale for Service Change**

To contribute to the corporate savings target whilst maintaining services to the most vulnerable.

#### **Financial Savings**

Additional £0.300 million

#### **Service Implications and Impact**

As detailed in reports to Executive on specific changes.

### **CC30a - Supplementary - Employee Terms and Conditions of Service – Efficiency**

#### **Background**

Employee costs make up a significant part of the Council's expenditure in delivering a wide range of services. (£90M per annum). A number of "terms and conditions of service" costs within this amount are open to local determination.

#### **Rationale for Service Change**

In the extremely challenging context of the Council's financial position it is appropriate to seek to reduce the cost of providing services by reducing this major spend area, rather than reducing an equivalent value of actual services.

#### **Financial Savings**

A target saving of £1M is to be achieved. Implementation will be over the two financial years 2011/12 and 2012/13.

#### **Service Implications and Impact**

The aim of this proposal is to reduce cost without reducing service levels. The specific measures to achieve the target savings will be the subject of negotiation with recognised trade unions through the collective bargaining arrangements.

### **CC35 – Delay Harmonisation of Council Tax**

#### **Background**

The intention of the authority was to consider harmonisation of Council Tax between residents across the former district areas. This was anticipated to be from 1 April 2011.

If a nil increase % increase was put in place for residents in the north of the authority, it would be necessary to go well beyond a freeze in the south to ensure harmonisation with a 2.7% reduction being necessary.

Initial estimates of the impact of this policy were a reduction in the overall resources in 2011/12 of £3.8M; £1.6M of this as a consequence of the commitment to harmonisation.

In view of the overall financial pressures as a result of the CSR, it is necessary to review the appropriateness of this measure. It is therefore proposed that Council Tax is not harmonised in April 2011.

The government have confirmed that they will fund a council tax freeze for 2011/12. The loss to the tax base for 2011/12 will be funded at 2.5% in each year of the Spending Review period. It is understood that this will be paid through an additional Area Based Grant. This will be funded regardless of the decision on harmonisation.

**Rationale for Service Change**

None

**Financial Implications**

It is anticipated that the associated reduction in borrowing would generate additional income of £1.595M in 2011/12.

**Service Implications and Impact**

The additional income will allow additional resources to be targeted towards the council's priorities.