

Report to: Cabinet

Report: 19th January 2012

Subject: Transformation Programme 2011- 2014

Report of: Chief Executive

Wards Affected: All

Is this a Key Decision? Yes.

Is it included in the Forward Plan? Yes

Exempt/Confidential

No

Purpose/Summary

To report the progress towards the establishment of the 2012/13 budget, reviews of services and consultation processes being undertaken. In particular the report recommends the reprioritisation of services. The report contains the following Annexes -

Annex A Work Programme Timetable

Annex B Prioritisation of Services

Recommendation(s)

Cabinet is recommended to

- a) note the work programme timetable at Annex A
- b) consider the proposals in Annex B and recommend to Council that the reprioritisation of services be approved
- c) note that further options may be subsequently developed and submitted to Council for approval. However any such options will require appropriate consultation prior to their approval and implementation.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community			√
2	Jobs and Prosperity			√
3	Environmental Sustainability			√
4	Health and Well-Being			√
5	Children and Young People			√
6	Creating Safe Communities			√
7	Creating Inclusive Communities			√
8	Improving the Quality of Council Services and Strengthening Local Democracy			√

The Council continues to forecast a significant budget gap over the next three years and additional budget savings will need to be identified over the coming months to ensure that future years' budgets can be balanced.

Early consideration of budget options continues to be essential as this will lead to informed decision making, including the consideration of the outcome of any consultations undertaken, the impact of any decisions to be made and any steps that can be taken to mitigate the impact of a decision.

What will it cost and how will it be financed?

FD1295 The Head of Corporate Finance and ICT has agreed this report.

(A) Revenue Costs

This report, together with the Medium Term Financial Plan 2012/13 – 2014/15, underpins the detailed financial position of the Council for the coming years and provides a framework for Revenue planning for the three years 2012/13, 2013/14 and 2014/15.

(B) Capital Costs

The DCLG have approved the capitalisation of £2m of statutory redundancy costs for 2011/12. The precise utilisation of this resource will not be known until decisions as to which saving options are to be implemented are made and the resultant number of redundancies required.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal LD 641/2012

There are no direct legal implications arising from the contents of this report. However in the course of each of the individual projects, consultations, options etc. to achieve the required savings, detailed consideration should be given to both the legal, human rights and equality implications. Such consideration will also need to be evidenced to ensure that the Council's decision making processes are defensible.

Human Resources

A notification under Section 188 of the Trade Union Labour Relations (Consolidation) Act 1992 and form HR1 to the Department of Business Innovation and Skills has been forwarded to the recognised trade unions and the relevant Government department. The numbers are as detailed in the body of the report.

The numbers contained within those documents concern options which place employees at risk and/or employees being at risk by virtue of the type of their employment contract (for example, fixed term contracts coming to an end). It also includes those leaving by Voluntary Early Retirement and Voluntary Redundancy.

Equality (See Section 7)

The Corporate Commissioning Team holds the responsibility for taking an overview on Equality Impact Assessments. These will be published on the Council website.

- | | | |
|----|--|--------------------------|
| 1. | No Equality Implication | <input type="checkbox"/> |
| 2. | Equality Implications identified and mitigated | <input type="checkbox"/> |
| 3. | Equality Implication identified and risk remains | <input type="checkbox"/> |

In relation to compliance with the Equality Act 2010, Section 149, Members need to make decisions in an open minded balanced way showing due regard to the impact of the recommendations being presented. Members need to have a full understanding of any risks in terms of people with protected characteristics and any mitigation that has been put in place. Equality Impact Assessments, including consultation, provide a clear process to demonstrate that Cabinet and Council have consciously shown due regard and complied with the duty.

Impact on Service Delivery: Not applicable

What consultations have taken place on the proposals and when?

Regular and ongoing consultations have taken place with Strategic Directors, Director of Built Environment, Director of Street Scene, Director of Young People & Families, Director of Older People, Director of Corporate Support Services and Director of Commissioning, Head of Personnel, Head of Corporate Finance & ICT, Head of Legal Services and Trade Unions.

Are there any other options available for consideration?

None but further options may be developed and brought forward at a later date. Any such options would be the subject of appropriate consultation.

Implementation Date for the Decision

Following 16th February Council 2012.

Contact Officers: Jan McMahon, Head of Transformation Services

Tel: 0151 934 4431

Email: jan.mcmahon@sefton.gov.uk

Background Papers:

The following papers are available for inspection by contacting the above officer(s).

Reports to Cabinet and Council 3 March 2011: Transformation Programme and Final Revenue Budget Items 2011/12

Report to Cabinet 14 April 2011: Transformation Programme 2011/12

Report to Cabinet 26 May 2011: Transformation Programme 2011-2014

Report to Cabinet 23 June 2011: Transformation Programme 2011-2014

Report to Cabinet 21 July 2011: Transformation Programme 2011-2014

Report to Cabinet 18 August 2011: Transformation Programme 2011- 2014

Transformation Update Report September 2011

Report to Cabinet 13th October 2011: Transformation Programme 2011- 2014

Report to Cabinet 10th November 2011: Transformation Programme 2011- 2014

Report to Council 24th November 2011: Transformation Programme 2011- 2014

1. Introduction/Background

- 1.1 At its meeting of 24th November 2011 Council approved a number of change proposals. The table below summarises the progress to date towards achieving the forecast level of savings.

	2012/13	2013/14	2014/15
	£m	£m	£m
Forecast saving requirement	20.05	7.65	10.82
Less			
Assumed Council Tax Freeze Grant *	-2.95	+2.95	0.00
Proposed Changes to MTFP Assumptions	-1.63	0.00	0.00
Change Proposals Approved by Council 27 th October	-4.12	-0.39	+0.80
Change Proposals Approved by Council 24 th November	-1.74	0.00	0.00
Updated Forecast Residual Net Saving Requirement	9.61	10.21	11.62

- 1.2 In addition to this consultation and engagement activity is underway on a wider range of options totalling around £14m. This will ensure that the views of interested parties will be available for the Council prior to making its final decisions. The Council will therefore be able to take the consultation and engagement activity into account when the final 2012/13 budget is set.

2. Transformation Programme Update

- 2.1 The Transformation Programme Update Report appears elsewhere on this agenda.

3. Work Programme & Prioritisation

- 3.1 Annex A details the agreed work programme, it is important to note that these activities will continue to be supplemented as required in order to ensure that timescales are met. Cabinet is asked to note the work programme timetable contained in Annex A.
- 3.2 On 15th December Elected Members attended a Risk Assessment & Prioritisation Event. Annex B details the proposed reassessment of the prioritisation of "Other" services and identifies associated proposals and options. Cabinet is asked to consider the proposed reassessment in Annex B and recommend to Council that the reprioritisation of services be approved.

4. Reviews

- 4.1 Members will recall that Officers are progressing a number of reviews and that these may identify further options at a future date. Progress will be reported to future Cabinet meetings.

5. Further Options

- 5.1 Officers are continuing to further explore all areas of the budget with a view to identifying further options for consultation. Should further options for consultation be identified these may be brought forward at a later date, following discussions with political groups. Implementation of these options would need to take into account appropriate consultation requirements and the possible financial impacts of part year delivery.

6. Consultation and Engagement

- 6.1 An initial package of potential budget options was approved by Cabinet, 13th October 2011, to commence consultation and engagement. In relation to these, consultation activity continues with service users, the general public, partners, key stakeholders, staff and Trade Unions.
- 6.2 A further meeting of the Public Engagement and Consultation Panel took place on the 14th December 2011 to which interim update reports on the findings from the consultation and engagement were presented.
- 6.3 The consultation on the budget options closes on Monday 16th January 2012 and the feedback will be reported to the next Cabinet meeting.
- 6.4 Weekly Wednesday meetings continue to take place with the Trade Unions and consultation has commenced in respect of the options.
- 6.5 Continued consultation continues to take place with the recognised trade unions, and as applicable employees, as to options which are out for consultation, options which have been approved for progression and any other circumstances which may give rise to the loss of employment and changed employment matters generally.
- 6.6 In terms of the number detailed upon the HR1 and Section 188 notice, this amounts to approximately 49 employees at risk as a result of the options being progressed, a further 66 who are on contracts with some form of end date and a further 12 who are leaving in terms of voluntary redundancy and/or voluntary early retirement.
- 6.7 It must be stressed that in relation to the numbers where potential terminations will be compulsory, that there will almost certainly be a reduction in those numbers and that is anticipated to be significant.
- 6.8 Weekly meetings continue to take place on all matters with trade unions.

7. Equality Act 2010 duty and Impact Assessments

- 7.1 Work continues on undertaking equality impact assessments on the budget proposals approved by Cabinet and Council October 2011. The impact assessments, including any feedback from consultation and engagement, will be published when final recommendations are presented for a decision. These assessments will identify any risks and mitigating actions to minimise the risk of

impact on those with protected characteristics. This will ensure that Members make decisions in an open minded balanced way showing due regard to the impact of any recommendations being made in compliance with the Equality Act 2010.

8. Risk Management

- 8.1 As part of budget setting process the Council will continue to regularly review strategic and operational risks and put in place measures to manage those risks.
- 8.2 As mentioned earlier in the report on 15th December Elected Members attended a Risk Assessment & Prioritisation Event. The Transformation Team will continue to monitor risks and issues, escalating significant risks and issues to the Strategic Leadership Team and Cabinet as appropriate.

9. Conclusion

- 9.1 The Council continues to face significant reduction in Government resources coupled with increased demographic pressures and inflationary increases. The Council must achieve a balanced budget by March 2012 while ensuring that relative priority of services is recognised and taken into account.
- 9.2 It is also important to note that the medium term financial position of the Council remains challenging and therefore decisions taken for the 2012/13 budget must be sustainable.
- 9.3 The prioritisation of Council services will enable a continued focus on what is most important whilst recognising that no service is exempt from efficiency savings.
- 9.4 Finally work is ongoing through the consultation process and with officers and councillors to determine a package of proposals that will balance the budget. This remains an extensive and complex piece of work. It is intended that this will be reported to the Cabinet meetings in February prior to Budget Setting Council in March.
- 9.5 Strong leadership continues to be essential as the Council will continue to have to make difficult decisions around service cessation and reduction and identify opportunities for real innovation in service delivery that may mitigate some of the implications.

Annex A

Work Programme

22 September	Cabinet Review Day	<ul style="list-style-type: none"> • Agree final options, Consultation engagement plan (detailed), Agree next steps and approval process
13 th October	Cabinet	<ul style="list-style-type: none"> • Approve options for immediate progression or consultation and engagement
21 st October	Public Engagement and Consultation Standards Panel Launch of Consultation/Engagement	<ul style="list-style-type: none"> • Panel to sign off Consultation Plans for all options which have a high or medium impact on the service users/stakeholders • Formal Launch of Public Consultation and Engagement – activity, including website go live date with link to e-consult • Formal recruitment of e-panel to commence
27 th October	Council	<ul style="list-style-type: none"> • Approve options for immediate progression contained in the report to Cabinet 13th October
10 th November	Cabinet	<ul style="list-style-type: none"> • Feedback on internal consultation • Recommend any budget savings for implementation where consultation is complete
24 th November	Council	<ul style="list-style-type: none"> • Consider Cabinet recommendations on internal consultation
8 th December	Cabinet	<ul style="list-style-type: none"> • No report
14 th December	Public Engagement and Consultation Panel	<ul style="list-style-type: none"> • Interim update reports
15 th December	Risk Assessment & Prioritisation Event	<ul style="list-style-type: none"> • Risk Assessment • Prioritisation of “Other” Services
19 th January	Cabinet	<ul style="list-style-type: none"> • Prioritisation of “Other” Services
2 nd February	Cabinet	<ul style="list-style-type: none"> • Feedback on consultation and engagement activity • Recommend any budget savings for implementation
16 th February	Cabinet	<ul style="list-style-type: none"> • Recommend any budget savings for implementation
16 th February	Council	<ul style="list-style-type: none"> • Prioritisation of “Other” Services • Briefing to Council on outcome of consultation and engagement activity on options • Recommend any budget savings for implementation
21 st February	Overview & Scrutiny (Performance & Corporate Services)	<ul style="list-style-type: none"> • Proposed Revenue Budget for 2012/13 for comment
1 st March	Cabinet	<ul style="list-style-type: none"> • No budget activity scheduled
1 st March	Budget Council	<ul style="list-style-type: none"> • Approval of Budget and Council Tax

This page is intentionally left blank

Annex B

This annex details the proposed reassessment of the prioritisation of “Other” services and identifies associated proposals and options. Cabinet is asked to consider the proposed reassessment and recommend to Council that the reprioritisation of services be approved.

Suggested Priority – Critical

Service	Reason for Suggested Change	Associated Proposals/ Options	Comments
Family Intervention Practitioner	Family Intervention plans - key preventative measure and part of the newly formed Early Intervention and Prevention services		Previous description Parenting Team - Think Family Grant

Suggested Priority – Frontline

Service	Reason for Suggested Change	Associated Proposals/ Options	Comments
Early Childhood Commissioned Services	Statutory duty to secure early childhood services to meet the needs of children aged 0-5 (14,000 in Sefton). Organisational change – delivered as part of statutory core offer of outreach services	C1.4	Option agreed to cease funding for breastfeeding peer support project. Any reductions will impact on Children Centre delivery models
Early Intervention & Prevention	A key grant to work in partnership with the local voluntary sector to commission early intervention and prevention services within the newly formed Early Intervention & Prevention service area		Formerly Children's Fund
Youth Service			
Commissioned Voluntary Sector Youth Services	Re-considered as part of the current Youth Service re-organisation	Commissioned Voluntary Sector Youth Services	
Detached Youth Work			
Targeted Youth Work	Integral to delivering the Youth Offending Team statutory duty under the Crime & Disorder Act 1998		

Parenting Team - Think Family Grant	Re-organisation as part of Early Intervention and Prevention Services	E1.4	In consultation for the cessation of Parenting Network Support
Disabled Children Access to Childcare	Statutory requirement to have sufficient childcare for parents of disabled children		
Parks & Green Spaces	Organisational change - This forms part of the integrated approach to managing and maintaining Council owned land	E4.5 to E4.10	
Coast & Countryside		E4.11 & E4.12	
Double Rating	This should form part of the integrated approach to managing and maintaining Council/Parish owned land		Links to Grounds Maintenance including Grass Cutting
Public Conveniences	Organisational change	E6.6	
Pest Control	The service is undertaken in lieu of a regulatory enforcement service which would need to be implemented if the service did not exist		
Economic Development & Tourism	Organisational change to reflect importance investment within the borough that sustains jobs.	E6.7	Small cost to core
Environmental Regeneration (Environmental Conservation & Coast Management) *	Organisational changes implemented to split regulatory planning function from frontline function of securing partnerships / funding / investment	E6.8	Approved by November Council - Budget to be split - Investment Programmes & Infrastructure, Planning & Economic Development

*it is recommended that an element of this service is prioritised as regulatory in respect of planning functions undertaken by the service area.

Suggested Priority – Regulatory

Service	Reason for Suggested Change	Associated Proposals/ Options	Comments
Children's Centres	Statutory requirement - Childcare Act 2006.		Review reported to Cabinet December 2011
Two Year Old Offer Early learning and Childcare	New policy development area. From 2013 the Statutory requirement is extended to cover more families (from 86 to 500)		Additional funds available from 2013
Aiming High Short Breaks	Statutory duty from April 2011 to provide a range of short breaks for disabled children and young people. If the activity were to stop the LA would be in breach of a statutory duty. Services must be provided as identified through assessment, all disabled children are de facto Children in Need (CIN) (Children act 1989) and so entitled to an assessment.	Aiming High Short Breaks	
Sure Start (Aiming High - Short Breaks Tier 2)	Statutory requirement. If the activity were to stop the LA would be in breach of a statutory duty. Services must be provided as identified through assessment, all disabled children are de facto Children in Need (CIN) (Children act 1989) and so entitled to an assessment.		
Energy Team - Energy (Affordable Warmth)	To reflect new regulatory duties under statute		

Suggested Priority Services - Influenced but contracted

Service	Reason for Suggested Change	Associated Proposals/ Options	Comments
Floral Hall Complex	Organisational changes linked to Tourism service	E6.10	
Crosby PFI	This 25year contract commenced in 2003. If the Council decides to default there is potential significant liabilities	E3.1	Currently under negotiation
Formby Pool	This 40 year contract commenced in 2007. If the Council decides to default there is potential significant liabilities	E3.5	Currently under negotiation
Lifeguard Duties	Contract with Royal National Lifeboat Institution		
Connexions	Statutory duty. Current contract ends March 2012	C5.7	Option agreed at 27 th October 2011 Cabinet

Services subject to review

Service	Associated Proposals/ Options	Comments
Libraries	C6.3, E3.9 to E3.13	Library review to commence early 2012
Leisure Centres	C3.1, C6.1, C6.2, E3.1 to E3.8	Leisure Centre review to commence 2012
Arts / Museums	E3.14	
Corporate Commissioning – Neighbourhoods/Safer Stronger	E6.3	Review ongoing - This facilitates the effective co-ordination and delivery of services at a neighbourhood level.
Voluntary, Community and Faith Sector - Corporate Commissioning	E6.4	Review ongoing