

**PERFORMANCE AND STRATEGY SCRUTINY COMMITTEE
THURSDAY 2 FEBRUARY 2012**

The Committee considered the phase 3 budget savings, received information from Chief Officers on the proposals and their impact and were able to ask questions on the issues.

Scrutiny of PEOPLE Issues [including Service Redesign [People], Learning and Skills, Assessment and Eligibility, Safeguarding and Public Protection]

Officers present:

David Taylor - Corporate Director, People

Karen Bradshaw - Learning and Skills

Stephen Chandler - Assessment and Eligibility

Kathryn Edwards – Safeguarding

Paul McCreary - Public Protection and Enforcement

In introducing this area of savings and acknowledging the level of risk involved in the process, the Corporate Director, People, stressed the need for significant savings to be made whilst preserving key services for key community groups and creatively transforming the service areas concerned. He added that the large-scale review of the Council's business would result in savings being achieved through the commissioning of services from outside providers rather than internal provision.

Service Redesign [People] Learning and Skills - Karen Bradshaw, Group Manager Learning and Skills

Referring to the review of the **Advisory Service staffing** team, the Committee Vice Chairman queried the meaning of the move towards a more 'traded service'. The Group Manager explained that Traded services were those that did not have to statutorily be provided and were provided at a competitive cost. It was noted that almost every school currently bought back this service.

The Committee noted that the reduction in the staff resource in this area was possible because of improved links between existing teams and that the review of the efficacy of this service would be measured on a cross Council basis. The Group Manager commented that it was too early to ascertain whether the increase in the number of Academies would have any impact on this service.

Referring to the **Music Service** the Group Manager explained that the savings were being achieved by service reconfiguration i.e. the removal of layers of management and changes to staff terms and conditions. It was noted that some PTA Groups might fund Saturday Music School charges for children from low-income families. The Group Manager agreed to provide

further information to a Member's question regarding multiple discounts to any subsequent children from the same family.

Early Years Reduction – the Group Manager stated that some of the sustainability funding may be removed from some providers and the use of Service Level Agreements [SLAs] would herald the move to a more traded environment. The Corporate Director assured the Committee that reductions would be kept under review to ensure sustainability in, for example, rural schools.

Rationalisation of Sensory Inclusion Service [SIS] and Education Psychology Service [EPS] – Joint Service with Telford and Wrekin Council. The Committee noted that savings would be achieved by reducing management costs, reducing the number of teachers for the deaf and the provision of increased administrative support thus relieving teachers of these tasks. The focus would be the delivery of a personalised package to suit the level of the individual's needs and would be kept under review to assess the impact of the changes. It was noted that a saving in the region of £900k to £1M would be achieved in **administration costs** across the Learning and Skills service.

It was confidently anticipated that £100k **income** could be **generated** in 2012/13 with the work to develop a traded service.

Post 16 Transport Charges. The Group Manager confirmed that the low EINA status could be revisited but commented that this would impact on some parts of the county more than others. It was noted that creative ways to bring young people into schools were currently being investigated and comparative data with other local authorities indicated that Shropshire represented good value for money at the moment. The Corporate Director commented that sometimes better value could be achieved by buying in the service from a commercial operator e.g. the seven day Arriva ticket that had been negotiated provided an extended service that mitigated against the increase in the ticket price so the ticket had an enhanced service value.

It was noted that the work of the Transport Task and Finish Group would include investigation into the tightening of criteria re school choice and availability of transport.

Savings in **Special Educational Needs [SEN]** would be achieved by changes to the staffing structure with a reduction in manager posts from 3 to 2 and a reconfiguration of the roles and responsibilities of the rest of the team. No diminution of service was anticipated.

Referring to '**Out of County placements**', it was noted that day provision in-county provision would reduce costs and that this would comprise largely mainstream provision alongside local schools in school hubs. Education would become more mainstream and more local with no changes taking place until 2013/14. The Corporate Director explained the big challenge of cross

border issues whereby 15 – 20 Shropshire youngsters were placed out of county with the county receiving 200 youngsters back into Shropshire!

It was noted that some young people with SEN could not yet have their educational needs supported in-county but it was hoped that better use of educational premises in future would increase the possibility of such youngsters being able to receive their education nearer to where they were staying.

A question was posed relating to the use of the '**pupil premium**' funding for outdoor education and it was suggested that recent guidance had indicated that this was possible.

Service Redesign [People] Assessment and Eligibility - Stephen Chandler Group Manager, Assessment and Eligibility

The Group Manager reported that daytime opportunities for **in-house day care** were greatly valued in line with the growth of personal budgets to allow people to choose their preferred daytime activities including employment. It was noted that the re-profiling of in-house day care with a £700k reduction now and a further £1.3M in 2014/15 allowed time for further work with existing users and providers. It was noted that a report detailing proposals and opportunities would be presented to Cabinet in March 2012 [detailing what people wanted, how this could be best provided or whether the provision was still needed].

In considering **savings and efficiencies linked to new investment** it was noted that new investment by the NHS would be used to offset some of the pressures. Concerns were expressed on the proposal to develop more web-based access to information and advice as this could disadvantage many elderly and disabled people because of their fear of internet use and/or the poor internet access in some parts of the county.

Service Redesign [People] Safeguarding - Kathryn Edwards – Group Manager, Safeguarding

With reference to **Growth and Placements**, the Group Manager explained that these were critical and well connected areas. She drew attention to the well-established goal to reduce the number of children in Shropshire Council's care and it was noted that this had been reduced by 20 in the previous year with the total in care in Shropshire currently being 210. This reduction had been achieved through excellent preventative work and through the substantial savings that had been secured by a block contract with a provider.

In answer to a Member's concerns the Group Manager agreed to provide additional information about waiting lists and flexibility of care packages that could be accessed by more people. Referring to **staffing savings** across the Safeguarding Group Services, it was noted that 3 posts had been deleted

across 3 children's homes without the need for any redundancies and that this had no impact on the service provided to service users. As far as **contract efficiencies** were concerned, it was further noted that due to good negotiations by commissioners there would be no impact on the level of service provided.

Service Redesign [People] Public Protection and Enforcement - Paul McCreary - Group Manager, Public Protection and Enforcement

The Group Manager provided a general overview and impact of the service. The Committee noted the approach to provide services differently but not compromise on quality. The aim was to draw together multi skilled teams to build a flexible and adaptable approach to service delivery with a greater emphasis on prevention and advice and responsive to a wider agenda.

An example of a customer on income support who could not pay for pest control was cited as a potential threat to public health. The Group Manager commented that a 50% reduction in charge was available in such cases and recognised the need to promote this fee reduction. The need to promote clear messages to the public and to shift the Council's resource to increased prevention was acknowledged as a sensible way forward for this service area.

Referring to the redesign of the service, the Group Manager reported that a 90-day staff consultation was underway with significant savings targets to achieve partly through the reduction of management costs by a reduction in the number of posts from 20 to 12.

Scrutiny of PLACES Issues including Service Redesign [Places], Environment, Facilities Management, Commissioning and Procurement, Business Growth and Prosperity.

Officers present:

Tom McCabe - Corporate Director, Places

Steve Price – Environment

Tim Smith - Facilities Management

Mike Morris - Commissioning and Procurement

Andy Evans - Business Growth and Prosperity

The Corporate Director, Places, drew attention to the Star Chamber process that had allowed the Senior Management Board to scrutinise budgets and savings targets to ensure that all were achievable and to identify where any savings could be brought forward. This process had resulted in some changes to the phase 3 savings initially considered by Cabinet in September 2011.

Service Redesign [Places] Environment – Steve Price, Group Manager, Environment

The Group Manager drew attention to the Transport Task and Finish Working Group that had been set up to **review public transport provision** and explore options for efficiency. The Committee agreed that the work of this Group should be valuable, interesting and complex and could take some time to complete.

Referring to the **reduction in street lighting**, the Group Manager explained that the benefits of the part night lighting initiative would be twofold and would result in cost savings and a reduction in carbon allowance liability. It was noted that a risk-based approach had been adopted with the highest risk being any potential tariff change being introduced by the energy companies.

In answer to a Member's concerns, he explained that there were no plans to reduce lighting in areas that would particularly affect vulnerable members of society. In terms of the reliability of the lighting installed, the Group Manager stated that lighting engineers did not foresee any significant problems and the use of l.e.d. lighting would generally be more reliable and lower maintenance.

The Group Manager added that this project was being implemented in close liaison with local Parish/Town Councils and the Police and it was hoped that a common policy could be adopted in future particularly given that Shropshire Council paid for the CO2 emissions across the board, the cost currently being £12 per tonne with an increase to £20 per tonne the following year.

Service Redesign [Places] Facilities Management – Tim Smith, Group Manager, Facilities Management

The Group Manager recognised that the Council's **office accommodation** was a 'hot topic' and it was vital that the Council rationalised its office space leading to fewer buildings with reduced costs of rates, rent and utilities. Members noted that the asset management programme involved the Council and its partners, for example the blue light services, Parish/Town Councils etc. in the review of properties for disposal and retention.

The Committee noted that the **mapping of assets** and the Capital and Assets Pathfinder work formed part of the process to highlight priorities for future usage, establish base line and unit costs and to challenge better use of the facilities or propose disposal. The Group Manager commented that working 'smarter' with the introduction of new, flexible ways of working would change the pattern of service delivery in some of the county's towns.

In answer to a Member's concerns regarding satellite offices in the county, the Group Manager assured the Committee that local Members, Parish/Town Councils and the Citizen's Panel would be consulted on any proposed changes and that any changes were not based on a knee jerk reaction on financial metrics. He stated that local Members would be supplied with paper

and electronic format maps of their areas in order to assist in the full mapping process of the Council's assets that included the properties of the former District and Borough Councils. It was noted that Service Managers were continually looking for more cost effective ways of working that could entail staff working in area offices as required that would save both time and travel costs by the use of hot desks.

Members highlighted the need to reassure the public on the range of services offered by the Council, how the services were offered and where they could be located. The Group Manager agreed that the impact on local people should not be underestimated and the need for the Council to promote its services was fully recognised.

Referring to the costs of the move of the **Shared Service** staff from Shirehall to Guildhall and those vacating the Guildhall and moving back to Shirehall, the Group Manager assured the Committee that much had been learned from the recent Unitary moves and realistic costs had been indicated. It was noted that staff were moved into a clean environment with the main equipment already in situ and estimated a half day for the move with as much as possible being arranged for the weekend to reduce the amount of 'down time'.

Referring to the **reduction in prudential borrowing** that resulted from revenue savings from the reduction in the capital programme, the Group Manager assured the Committee that £1.150M budget savings for 2012/13 had been achieved. Although the £2.6M savings identified for 2013/14 would present more of a challenge to achieve he stated that he was hoping to be able to bring forward property disposals in 2012/13 to achieve this target and added that local Members would be given sight of proposals relating to their ward area.

Service Redesign [Places] Business Growth and Prosperity – Louise Cross, Visitor Economy Manager on behalf of the Group Manager, Business Growth and Prosperity

The **Visitor Economy** Manager explained that the savings in the service had been identified for 2012/13 primarily through minor reductions in opening hours that had no significant impact on service users. Members noted that savings for 2013/14 would be achieved through a series of initiatives including an increase in retail income, marketing, changes in governance, significant volunteer input, joint staffing and joint management of facilities. Members recognised that the volunteer resource had cost implications, as they too needed to be managed.

The Corporate Director, Places, added that doing things differently included consideration of options relating to saving money, improving service levels and consideration of local operators for services provided. A member commented on the potential use of the Boathouse restaurant, Ellesmere to a franchised public house.

In considering the Discovery Centre at Craven Arms, it was noted that options for its future were becoming apparent and its continued community use was recognised. In answer to a Member's concerns regarding the Museum Service, assurances were given that skills would be retained locally as no loss in the number of posts had been identified.

Service Redesign [Places] Commissioning and Procurement – Mike Morris
Group Manager, Commissioning and Procurement

The Group Manager advised that work was ongoing with other colleagues to deliver the savings identified. Referring to the Supporting People Services, he reported that the identified savings would be achieved earlier than anticipated to provide more people with an improved service at less cost.

Scrutiny of CORPORATE Issues including Shared Services Programme, Service Redesign (Area Directors), Management Review and Changes to Staff Terms and conditions and Trading Income

Officers present:

Wendy Marston - Corporate Head of Business Improvement

Jackie Kelly - Corporate Head of Organisation Development

George Candler – North Area Director

Rachel Musson – Corporate Head of Finance and Commerce

Service Redesign [Area Directors] – George Candler, North Area Director

The North Area Director explained the concept of **community hubs** where a range of services were brought together in a single building run by a single set of multi skilled staff who could call on higher professionals when needed. He drew attention to the first prototype being developed in the Oswestry library where a meeter/greeter encouraged service users to self serve in future by use of the website or telephone. It was recognised that some people may need face to face interaction and, because of this, interview rooms were available for more private conversations.

Although the merits of this method of working were understood, some Members raised concerns regarding the availability of Broadband in some areas and the need to have staff on hand to assist in the use of touch screen technology. The North Area Director added that the first community hubs would be rolled out to Oswestry, Bridgnorth and Shrewsbury. Further phased roll out would depend on community demand and assessment of the success of the prototype.

The North Area Director updated the Committee on the ongoing **review of leisure provision** that included consideration of outsourcing facilities, review of operating times and reductions in controllable spend. It was noted that five leisure centres currently in the control of Shropshire Council were to be outsourced and that this was taking place in conjunction with discussions at

joint use sites with schools with a view to transferring back to their governance or exploring other delivery models. The work with schools would be further explored by a scrutiny Task and Finish Group that would examine the options available and ensure that steps were taken to drive as much efficiency in leisure as any other Council service.

Referring to the **review of library services**, the North Area Director stated that the library service reflected the demands of the local community. In answer to a Member's concerns regarding the mobile library service he assured Members that public feedback on this service would be taken into consideration and the local Member included in the review process.

The Corporate Director, Places, drew attention to the move to commission **youth support positive activities** and stated that the Central Area Director would provide clarity on the number of posts that may be lost from this area.

Shared Service Programme – Wendy Marston, Corporate Head of Business Improvement

Details of the projected set up costs of the Shared Services were tabled at the meeting. The Corporate Head of Business Improvement explained that the transition costs were funded from the service areas within the Shared Service. As part of the new way of working it was noted that some I.T. staff would also still be available in the Shirehall and would use hot desk provision from which to work. The need to ensure considered planning and mitigation of the various commercial and financial risks was considered to be an essential part of the new model of service delivery.

Service Redesign [Terms and Conditions] - Jackie Kelly, Corporate Head of Organisation Development

The Corporate Head of Organisation Development updated the Committee on the changes to staff terms and conditions that would result in reductions to overall staffing costs and commented on the ongoing dialogue relating to sickness absence that was being considered by an internal working group.

In answer to a Member's query regarding the terms and conditions for staff in Shared Services, she explained that in future staff moving in to shared services would take on the terms and conditions of that service and staff moving out of that shared service would take on the terms and conditions of that body.

Service Redesign [Commerciality] – Rachel Musson, Corporate Head of Finance and Commerce

Members noted that a commercial group was working on the move to a more commercial basis for services that would increase levels of income from

Council services. The Corporate Head of Finance and Commerce stated that income generation options were being explored and that there was an expectation to deliver the modest target against a high potential area. She assured Members that the best opportunities would be identified by the group whilst taking into account market elasticity and recognising the different service tipping points. It was noted that some areas of the Council's service were obliged to only achieve a break even point and could not be set up to make a profit, for example, Building Regulations.

Other Issues - The Level of Reserves

It was noted that the Annual Audit Letter described the Council as being in 'a difficult but manageable position' and generally was highly complimentary to the authority.

The Corporate Head of Finance and Commerce commented on the Council's approach to continue to work towards attaining the higher threshold of reserves level given the need to protect the authority and the financial challenges of the future. The Committee Chairman added that this year the Council was likely to be at the bottom of this range [between 0.5% and 3%].