

RESOLUTIONS: CABINET 7 November 2013

Item 7 - Money Matters - The Financial Strategy 2014/15 to 2017/18

Resolved:-

1. To note the reductions in cost of £5.590m in 2014/15 rising to £16.671m in 2017/18, as set out in Annex 1 to these resolutions;
2. To endorse the efficiency savings identified through the 10% challenge of £16.272m in 2014/15 rising to £19.081m in 2015/16, as set out in Annex 1 to these resolutions, and thanks the Council's staff for their efforts in identifying these savings;
3. To endorse the savings that can be delivered by reductions in the cost of running the business of £6.523m in 2014/15 rising to £17.366m in 2017/18, as set out in Annex 1 to these resolutions;
4. To task the County Council's Management Team with maintaining an ongoing review of operations in order to identify opportunities for further savings to be brought back to cabinet in future meetings;
5. To propose, for consultation, options for reducing costs through reshaping the way services are delivered totalling £5.560m in 2014/15 rising to £32.350m in 2017/18, as set out in Annex 2 to these resolutions;
6. To propose, for consultation, policy options for reductions in service and for increasing income through charging options totalling £15.204m rising to £29.982m in 2017/18, as set out in Annex 3 to these resolutions;
7. To note potential calls on the council's downsizing reserve of up to £9.6m in total to deliver the proposals contained in these resolutions;
8. To request the views of the Budget Scrutiny Working Group on all the proposals set out in these resolutions for consideration at future Cabinet meetings;
9. The Cabinet recognises that at a reduction of almost 40%, the challenge facing the County Council over the next four years is unprecedented. To deliver this level of saving whilst seeking to deliver effective services will require a radically different approach which focuses on service delivery within a budget envelope of £642m by 2017/18. The Cabinet requests the Interim Chief Executive to bring a report back to a future meeting of Cabinet, setting out the approach to reshaping the County Council's organisation and services to secure effective services for our communities and ensure a sustainable future.

10. It is clear that the fundamental downsizing to deliver £300m of savings will have a significant impact on all staff across the organisation. In order to manage this is the fairest way, and to enable the County Council to plan effectively the Cabinet asks the Interim Chief Executive to:

- To publish an offer for all staff, including those who have been seconded to other organisations, interested in taking voluntary redundancy on the current terms before April 2014
- To ask for expressions of interest from staff interested in taking voluntary redundancy between April 2014 and April 2016, and to
- develop a proposal for a voluntary severance package which would ensure a fair approach for all staff over the next four years.

Reduction in Costs

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Impact of the proposal to implement the Living Wage	-3.000	-0.090	-0.093	-0.095	-3.278
Impact of revised forecast of the level of procurement savings to be delivered in 2013/14	-5.000				-5.000
The full year effect of savings agreed as part of the current financial strategy but not included within the financial forecast	3.600	1.900	1.300	0.800	7.600
Review of inflation for social care providers; providing 1.75% within the 2014/15 forecast	3.245				3.245
Review of the level of demand incorporated within the forecast of costs for the concessionary travel budget	0.645	0.180	0.197	0.190	1.212
Revised forecast of the employers contribution to the local government pension fund as a result of the triennial valuation	1.500	1.553	1.541	1.538	6.132
Reflection of the government commitment to a 1% pay cap for local government in 2014/15	2.600				2.600
Revised forecast of council tax income arising from the previously approved review of the single persons discount and the impact of the City Deal	2.000	0.250	0.730	1.180	4.160
Reduction in costs	5.590	3.793	3.675	3.613	16.671

Efficiency Savings from the 10% Challenge

	2014/15 £m	2015/16 £m	Total £m
Adult Services, Health and Well-being Directorate	6.266	2.005	8.271
Children and Young Peoples Directorate	2.931	-	2.931
Environment Directorate	5.156	0.779	5.935
County Treasurer's Directorate	0.307	0.025	0.332
Lancashire County Commercial Group	0.573	-	0.573
The Office of the Chief Executive	1.039	-	1.039
Efficiency savings from 10% Challenge	16.272	2.809	19.081

Reducing the cost of being in business

	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m
Increase Public Health Contribution to Overheads	1.050	---	---	---	1.050
Asset management within highways and property	---	---	---	0.900	0.900
Printing/Postage/Council Infrastructure	1.000	---	---	---	1.000
Managing Business Mileage	1.000	---	---	---	1.000
Accommodation	---	---	---	5.000	5.000
Review of business intelligence	0.400	0.400	0.100	0.100	1.000
Right Sizing the County Treasurer's Directorate	0.303	0.180	0.707	0.229	1.419
Right Sizing the Corporate Expenditure Budget	0.210	---	---	---	0.210
Treasury Management Strategy	1.675	0.600	---	---	2.275
Reduction in the cost of waste	---	0.500	0.500	0.500	1.500
Energy Management (Price)	0.885	0.121	1.006	---	2.012
Total	6.523	1.801	2.313	6.729	17.366

Reshaping the Way Services are delivered

No.	Proposal	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
401	Reshaping and Recommissioning of Domiciliary Care	---	2.000	---	---	2.000
403	Recommissioning Telecare	---	0.500	1.000	2.500	4.000
404	Learning Disability Remodelling Supported Living	4.000	4.000	4.000	---	12.000
405	Recommissioning of Mental Health Services	0.060	0.970	0.160	0.160	1.350
407	Integration of health and care services in Lancashire	1.000	1.900	3.800	4.300	11.000
409	Review of skills provision - using it differently and contributing to overheads	0.500	0.500	1.000	---	2.000
Total		5.560	9.870	9.960	6.960	32.350

Further detail for each of the options in Annex 2 is provided in Appendix A to these resolutions

Policy Options

No.	Policy Option	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Adults Services, Health and Well-Being Directorate						
601	Supporting People	1.000	3.000	---	---	4.000
602	Fairer Charging	1.250	1.500	---	---	2.750
604	Review and re-design of residential substance misuse services	0.250	0.250	---	---	0.500
607	Arts Development service	0.020	---	---	---	0.020
609	Leisure Link (providing additional respite to Unpaid Carers)	0.275	---	---	---	0.275
610	Remodelling workforce in former NHS operated learning disability (LD) supported living schemes	3.430	0.500	0.400	---	4.330
611	Older people day time support	0.300	0.300	0.400	---	1.000
612	Self Directed Supports	0.100	0.150	0.150	0.150	0.550
Total		6.625	5.700	0.950	0.150	13.425
Children and Young Peoples Directorate						
702	Youth Services	0.600	1.000	1.400	---	3.000
703	Discretionary Mainstream Home to School Transport (including unsuitable routes)	0.616	0.482	0.041	0.020	1.159
704	Parent participation and engagement for children and young people with Special Educational Needs and Disability (SEND) and their families	0.078	---	---	---	0.078
705	Charging for post 16 Special Educational Needs and Disabilities (SEND) transport	0.088	0.096	0.096	---	0.280
707	Review of CYP traded services	0.063	---	---	---	0.063
708	Review of Lancashire Outdoor Education Provision	0.039	0.068	0.050	---	0.157
No.	Policy Option	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m

709	Review of Quality & Continuous Improvement - Lancashire Schools Effectiveness Service (QCI-LSES) services provided to schools	0.025	0.119	0.088	---	0.232
710	Review of school attendance responsibilities.	0.065	0.099	0.031	---	0.195
711	Virtual School Review	0.250	---	---	---	0.250
712	Review of Early Years services and responsibilities	1.507	1.451	---	---	2.958
717	Improve efficiency of Adoption Service	0.117	---	---	---	0.117
719	Increase efficiency in Fostering Service	0.150	---	---	---	0.150
722	To develop and reshape services to children, young people and families to ensure the services are aligned efficiently and effectively	2.800	0.861	---	---	3.661
723	Right-size Children's Trust Budget	0.100	---	---	---	0.100
Total		6.499	4.176	1.706	0.020	12.401
Environment Directorate						
804	Street Lighting Energy	0.170	0.100	0.230	---	0.500
805	Highway infrastructure sponsorship	0.050	0.050	---	---	0.100
809	Members priority contingency	0.042	0.100	0.078	---	0.220
813	Targeted Parking Enforcement	0.050	---	---	---	0.050
815	Environment & Community Projects and Forest of Bowland Area of Outstanding Natural Beauty	0.118	---	0.612	---	0.730
817	Public Rights of Way & Countryside Service Reductions	0.094	---	0.454	---	0.548
821	Winter Service	0.447	---	---	---	0.447
822	Close waste transfer stations and landfill sites on bank holidays	---	0.030	---	---	0.030
823	Sustainable Drainage Consenting & Enforcement	0.150	---	---	---	0.150
824	Joint Production of Local Transport Plan	---	0.030	---	---	0.030
828	Withdrawal of Adult Cycle Training	0.014	0.015	0.006	---	0.035
829	Safer Travel Unit training	0.018	0.024	0.020	---	0.062
831	Business Travel Planning	0.003	---	0.017	---	0.020
No.	Policy Option	2014/15	2015/16	2016/17	2017/18	Total
		£m	£m	£m	£m	£m
832	Speed management provision	0.040	---	---	---	0.040
833	Operational Learning and Development within Highways Services	0.025	0.040	---	---	0.065

834	New Traffic Systems Maintenance Contract	0.100	---	---	---	0.100
836	Transfer of Parking Services front line call handling into Parking Services	0.075	---	---	---	0.075
837	District/Parish Public Realm Agreements - Highway - Green Space maintenance	0.144	0.137	0.123	---	0.404
841	Bus Shelter Maintenance	0.015	0.010	---	---	0.025
842	Vehicle and associated checks carried out on subsidised services	0.025	---	---	---	0.025
Total		1.580	0.536	1.540	---	3.656
Services within the Office of the Chief Executive						
921	Review of Voluntary, Community and Faith Sector (VCFS) Grants	0.500	---	---	---	0.500
		0.500	---	---	---	0.500
Total Policy Options		15.204	10.412	4.196	0.170	29.982

Further detail for each of the options in Annex 3 is provided in Appendix A to these resolutions