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Responses from the 3 Tier Forums in connection with the consultation in November/December 2013 regarding the County Council budget for 2014/15.

Chorley 3TF – 18th November 2013

Mr Graham, Deputy County Treasurer, presented a detailed report regarding the nature of the financial challenge facing the County Council over the next few years and informed the meeting that the County Council was faced with making savings of around £300m over the next few years which was the equivalent of 38% of its current budget.

It was reported that in response to the increasing financial constraints the County Council had adopted a number of approaches, including a review of planning assumptions and forecasts which had led to a reduction of £17.4m in the level of savings required over the next four years. In addition a further £19.1m of efficiency savings had been identified over the next two years through a range of measures such as reducing supplies, squeezing costs, removing vacancies or reducing hours

In considering the report the following issues were discussed by members of the Forum and the public.

- In response to a query regarding street lighting it was reported that a programme of replacing existing lighting with the more efficient LED lighting was included in the capital programme. In addition it was proposed to dim or switch off street lighting in certain locations in order to reduce costs, though this would be in line with the requirements to maintain safety.
- The efficiency savings which had been made via the 10% challenge were noted though there was some concern that such savings could have an impact on certain vulnerable groups. The effectiveness of a recently introduced scheme of signing connected with parking restrictions in Charnock Richard was also questioned.
- It was suggested that in view of the unprecedented financial situation over the next few years it was vital that all political parties work together to find viable solutions. In response Mr Graham reported that the County Council had a cross party scrutiny task group in place which would look at any budget proposals before they were presented to the County Council.
- Whilst it was recognised that Directorates had been asked to identify savings it was suggested that they should also consider ways of raising additional revenue, for example by having advertising at Household Waste Recycling Centres. Mr Graham reported that there had already been a number of suggestions made which would result in some revenue being raised. However, he added that in many cases charges were already made for services and care needed to be taken that increasing existing charges or introducing new charges did not have a detrimental effect on use of those services. It was also noted that the current financial climate was having an impact on the individuals/organisations which the County Council could sell services to and that demand in certain markets was reduced.

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- The need to avoid duplication of effort was discussed and it was noted that the County Council and District Councils did have a number of shared services.

It was reported that the comments of Forums would be taken into consideration when developing further proposals to meet the remainder of the savings requirement in 2014/15 which would be presented to the County Councils Cabinet in December and January and would be the subject of further consultation.

Agreed:

1. That the comments set out above be forwarded to the County Treasurer for consideration by the County Council's Cabinet as part of the process for finalising the 2014/15 budget proposals.
2. That any additional comments members of the Forum may have regarding the budget are forwarded to the Locality Officer for submission to the County Treasurer.

Fylde 3TF – 20th November 2013

County Councillor Borrow presented a detailed report regarding the above and informed the meeting that in response to the scale of the financial challenge facing the County Council consideration was being given to a number of approaches aimed at securing savings of around £300m over the next few years.

It was reported that a review of planning assumptions and forecasts had led to a reduction of £17.4m in the level of savings required over the coming four years, with an additional £19.1m of efficiency savings identified over the next two years. It was also noted that particular attention had been paid to services provided by the Adult Services, Health and Wellbeing Directorate and the Children and Young People's Directorate, both of which represented significant elements of the County Councils overall expenditure.

In considering the report the following issues were discussed by members of the Forum.

- It was reported that when identifying possible savings consideration had been given to statutory/non statutory services, the potential impact on service provision and issues such as need/deprivation. It was noted that the reshaping of some services, as set out in the budget proposals, would involve older people and were intended to support individuals to continue to live at home rather than moving into residential care provided by the County Council.
- Concern was expressed regarding the potential impact of the budget proposals on residents in Fylde and it was suggested that as the County Council and all District Councils faced significant financial pressures over the coming years it was important to identify further opportunities for joint working in order to secure

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efficiencies and reduce costs whilst minimising as much as possible the impact on services.

- In response to a query regarding the future level of Council Tax it was reported that a referendum would only be required if the County Council were to set the Council Tax above 2%. It was noted that the 2% reduction in Council Tax from the previous year had made an impact on the availability of resources in relation to the 2014/15 budget.
- With regard to the predicted level of savings required it was noted that over the last 10 years the County Council had made significant improvements to its performance when compared with the national average for similar authorities. It was also suggested that continuing advances in areas such as technology could provide further opportunities for savings to be made in the future.
- It was noted that whilst inflation was currently low the forecast increase of costs for the County Council included a significant amount in terms of the prices paid to third parties. In response Ms Kilpatrick reported that in order to provide many of its services the County Council operated a range of contracts and would need to take account of any increase in inflation over the next four years. She added that how the County Council continued to work with other organisations would be taken into account as part of the proposed reshaping of some services.
- The level of savings secured via the County Council procurement arrangements was discussed and it was recognised that the current situation was unsatisfactory and was the subject of a review and that in the future the County Council would reframe its relationship with the contractor concerned.
- The availability of resources for winter gritting of roads was discussed and it was noted that whilst a specific allocation was made for the purposes of planning the budget there was recognition that in the event of severe weather conditions additional funding would be made available from reserves.
- In response to a query regarding the cost and effectiveness of 20mph speed limits it was reported that the programme for introducing such limits was due to finish in December 2013 and was felt would not only reduce accidents/injuries but also contribute towards savings for the County Council, emergency services and the NHS.

Agreed: That the comments of the Fylde 3 Tier Forum, set out above, are forwarded to the County Treasurer for consideration by the County Council's Cabinet as part of the process for finalising the 2014/15 budget proposals.

West Lancashire 3TF – 25 November 2013

Gill Kilpatrick presented a detailed report regarding the nature of the financial challenge facing the County Council over the next few years and informed the meeting that the County Council was faced with making savings of around £300m

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over the next four financial years which was the equivalent to almost 40% of its current budget.

It was noted that the County Council was currently focussing on balancing the 2014/15 budget and this would enable time to be devoted to the huge challenge of downsizing the County Council to a new budget level of £640m by 2017/18. Members were informed that this reduction needed to be set within the context that between the years 2010 to 2017, the County Council would have had to make savings of over £0.5b.

It was reported that in response to the increasing financial constraints the County Council had adopted a number of approaches, including a review of planning assumptions and forecasts which had led to a reduction of £17.4m in the level of savings required over the next four years. In addition employees had identified a further saving of £19.1m through a 10% challenge to drive out waste and increase efficiency across the County Council. A number of areas totalling £17.4m had also been identified where the cost of being in business could be reduced, with no impact on the level or quality of services provided by the County Council to communities.

However, given the scale of the overall challenge facing the County Council it was clear that the level of savings required could not be achieved without impacting on services. The County Council was therefore undertaking a consultation exercise on a number of policy options and proposals for reshaping the way in which services would be delivered in the future.

In considering the report the following points were raised by members of the Forum:

- In view of the unprecedented financial situation over the next few years it was vital that the County and Borough Councils worked together to find viable solutions and to ensure no surprises.
- It would be helpful to receive a report on the effects of the budget reductions and the reshaping of services in West Lancashire. Members were informed that whilst some information could be provided e.g. commissioning plans, it would be difficult to provide information at a district level as many services and budgets were interlinked across the county.
- It was clear that the downsizing of the County Council's budget would result in a reduced workforce but the full effect on staffing numbers was not yet known.
- The £300m savings had been profiled over four years based on the combined increase in costs and reductions in resources from central government.
- The current budget proposals did not take into effect any assumptions around future council tax levels.

Burnley 3TF – 25th November 2013

County Councillor Borrow, Deputy Leader of the County Council, presented a report regarding the above and informed the meeting that in response to the financial challenges which the County Council faced over the next few years consideration was being given to a range of measures aimed at securing savings of around £300m. These measures included a review of planning assumptions/forecasts which

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had led to a reduction of £17.4m in the level of savings required over the next four years, together with an additional £19.1m of efficiency savings identified over the next two years and a review of the County Councils accommodation which would generate £5m of savings by 2017/18.

It was also reported that a significant element of the budget proposals related to the reshaping of services in Adult Social Care which were intended to help support people to remain living at home rather than having to move into costly residential care.

In considering the report the following issues were discussed by members of the Forum.

- In response to a query regarding potential legal challenges arising from some of the proposals Mr Graham reported that any costs associated with a legal challenge to a decision made by the County Council would be funded from reserves. He added that potential risks, including challenges, would be taken into account by the Cabinet when formulating the budget early in the New Year and the County Council operated a robust risk assessment and equality impact analysis of proposals which was intended to take account of potential risks.
- It was reported that a number of local authorities had expressed concerns regarding their ability to set future budgets and the necessity of making some hard choices regarding services. County Councillor Borrow reported that for Lancashire when considering budget proposals particular attention had been paid to services provided by the Adult Services, Health and Wellbeing Directorate and the Children and Young People's Directorate, both of which represented significant elements of the County Council's overall expenditure.
- The proposal to reduce costs by closing waste transfer stations and landfill sites on Bank Holidays was discussed and it was noted that the Borough Council was also looking at reducing some of its costs by streamlining its waste collection services.
- Concern was expressed about the impact of the budget proposals on mental health services and it was reported that the County Council was looking at ways of making better use of available resources to support people in their own homes. It was also noted that the transfer of public health responsibilities/funding to the County Council via the Health and Wellbeing Board presented an opportunity for closer working with partners in order to provide a more effective/efficient service.
- In response to a query from a member of the public County Councillor Borrow informed the meeting that the intention was for the County Council to agree a budget for 2014/15 and then focus attention on reshaping services in order to achieve more significant savings over the period up to 2017/18. Whilst it was acknowledged that there would be difficult decisions to be made over the next few years it was recognised that the County Council had established a clear direction in relation to securing significant savings, reorganising existing services and seeking to maintain a high standard of service.

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It was noted that the comments of the Forum would be taken into consideration when developing further proposals to meet the remainder of the savings requirement in 2014/15 which would be presented to the County Councils Cabinet in December and January and would be the subject of further consultation.

Agreed: That the comments of the Forum are forwarded to the County Treasurer and presented to the County Council's Cabinet for consideration as part of the process of finalising the 2014/15 budget proposals.

South Ribble 3TF – 28th November 2013

Lisa Kitto, Deputy County Treasurer, presented a detailed report regarding the nature of the financial challenge facing the County Council over the next few years and informed the meeting that the County Council was faced with making savings of around £300m over the next few years which was the equivalent of 38% of its current budget.

It was reported that in response to the increasing financial constraints the County Council had adopted a number of approaches, including a review of planning assumptions and forecasts which had led to a reduction of £17.4m in the level of savings required over the next four years. In addition a further £19.1m of efficiency savings had been identified over the next two years through a range of measures such as reducing supplies, squeezing costs, removing vacancies or reducing hours.

The County Council was gathering views from the Three Tier Forums to feed into the Budget process. The following comments and questions were raised by members of this Forum:

- In response to a question about assumptions being made regarding the level of Government grants, it was acknowledged that there was some uncertainty, especially in years three and four of the Budget. Members were assured that the Budget was as robust in this regard as it was possible to be.
- In response to a question about the impact on South Ribble of the County Council's decision regarding Preston Bus Station, it was explained that funding was largely from the Capital Fund. It was recognised that there was a potential impact on the Revenue Budget, but it was unclear at this stage what that impact would be, however, it was hoped that the Bus Station would operate on a commercial basis and become a source of income rather than a drain on the Budget.
- It was difficult to disaggregate the Budget and its impact on the District, but as the County Council moved forward matters would become clearer. The Forum was assured that the County Council would continue to work closely with the Districts. It would be helpful if Districts would share their Budget plans with the County Council also.

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- It was confirmed that the County Council was in detailed negotiations regarding the waste PFI contract which was a significant budget pressure; reducing that pressure was a priority for the County Council.

Ribble Valley 3TF – 2nd December 2013

Ms Kitto, Deputy County Treasurer, informed the meeting that over the next few years the County Council would continue to face significant financial challenges and that in addition to the £217m of savings the County Council had already delivered, a further £300m needed to be found which was equivalent to 38% of the current budget. The Forum were informed that the County Council had adopted a structured approach which was intended to secure savings of around £300m over the next four years. These measures included a review of planning assumptions/forecasts in the light of more recent information which had resulted in a reduction of £16.7m, a full staff engagement process called 'The 10% Challenge' to identify any further efficiencies which had generated £19.1m of savings and a review of other costs within the business which had identified savings of £17.4m.

The Forum was informed that the County Council's Cabinet had approved the beginning of a consultation on a number of policy options and proposals for reshaping the way in which savings are delivered. Proposals for reshaping services totalling £32.3m had been put forward for consultation as had policy options totalling £30m. Ms Kitto reported that there still remained a gap of £26.8m in 2014/15 and that officers had been asked to develop options to meet the remainder of these savings requirements.

It was noted that the intention was for the County Council to agree a balanced budget for 2014/15 which would then enable attention to be focussed on a more significant restructuring of the County Council in order to achieve the budget level required for 2015/16 onwards.

In considering the report the following comments were made by members of the Forum.

1. Concern was expressed regarding the financial implications of decisions by the County Council regarding the bus station in Preston and the potential reopening of two Household Waste Recycling Centres which were felt would impact on the capital budget and draw funding away from existing services.
2. In response to the suggestion that the 10% challenge had in reality only identified around 3% of efficiency savings Ms Kitto clarified that the challenge had focussed on those budgets which could be influenced. The Forum were also advised that some services were able to identify savings greater than 10% but that these were largely of a policy nature and had therefore been captured in the policy options list.
3. The potential impact of savings on Ribble Valley was discussed and Ms Kitto reported that as the current policy options being explored were at a County wide level it was not possible to identify how this would influence services in specific

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Districts. Whilst it was acknowledged that there would be some impact on services it was noted that this would depend on the phasing of changes, with some taking effect in 2014/15 while others would only take effect over the following years.

Details of the current level of County Council spending on services in the Ribble Valley were requested and Ms Kitto undertook to provide the information outside of the meeting.

4. It was noted that the report referred to the reductions in local government resources of 8% in 2014/15 and 13.1% in 2015/16 followed by further reductions over future years and there was some concern regarding the impact this would have on both the county Council and the borough Councils own budget. Ms Kitto reported that the County council was monitoring the situation and would review existing figures and estimates as more information regarding the Government settlement became available.
5. It was suggested that whilst initial savings had been identified future years would present serious challenges and would require difficult decisions to be made in relation to services. Concern was expressed in relation to the potential impact in the future on vulnerable people and it was noted that the future reshaping of the County Council would inevitably lead to a reduction in the number of employees and that care would need to be taken as to how that would impact on services.
6. A request was made for any decisions regarding reductions to services to be made on a evidence based, equitable basis across all Districts and for consideration to be given to the level of deprivation in rural communities in Ribble Valley as well as urban areas elsewhere.

Agreed:

1. That the comments of the Forum are forwarded to the County Treasurer and presented to the County Council's Cabinet for consideration as part of the process of finalising the 2014/15 budget proposals.
2. That members of the Forum are provided with details of current County Council spending in Ribble Valley outside of the meeting.

Preston 3TF – 2nd December 2013

No comments were made

Rosendale 3TF – 4th December 2013

Mr Graham, Deputy County Treasurer, informed the meeting that the County Council was facing significant financial challenges over the coming years due to a reduction by the Government in public spending combined with increasing costs in areas such

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as inflation, pensions and the demand on services of an increasingly older population.

As a result the County Council was faced with making savings of around £300m over the next few years and had adopted a number of approaches to achieve this, including a review of planning assumptions/forecasts which had led to a reduction of £17.4m in the level of savings required over the next four years and the identification of £19.1m of efficiency savings over the next two years through measures such as reducing the level of supplies, squeezing costs, removing staff vacancies or reducing their hours.

It was noted that the County Councils strategy was to initially set a balanced budget for 2014/15 and then work towards achieving the necessary savings moving towards 2017/18 which would involve reshaping many of the Councils services.

When considering the report the following issues were discussed by members of the Forum and the public who were present.

- a) It was suggested that in the future it was vital that the County Council ensure it received value for money in relation to the investment it made into the provision of services.
- b) It was suggested that the County Council should not neglect areas such as the arts which brought investment into Lancashire and recognise that the recent transfer of responsibility for public health from the NHS to the County Council provided a valuable opportunity to work with partner organisations in the Voluntary Sector to provide quality services at a reduced cost.
- c) The introduction of the Living Wage and its importance in terms of the local economy was discussed and it was noted that the County Council had adopted the Living Wage for its own employees.
- d) With regard to the cost for the public in contacting the County Council it was reported that the Cabinet was due to consider a proposal to begin using 0300 numbers for services which was cheaper than the existing 0845 numbers.
- e) Greater use of telecare services were discussed though it was recognised that previously such services had not operated satisfactorily in areas of the Borough such as Turn Village. In view of the geographical nature of the Borough it was suggested that services based on land lines rather than mobile services should be pursued.
- f) It was acknowledged that learning from recent reviews of procurement activity undertaken by the County Council's Internal Audit Service would inform its work for the Borough Council.
- g) Concern was expressed regarding the financial implications of the County Council decision in relation to the bus station in Preston which it was felt would impact on the capital budget and draw funding away from other parts of the County. In response the Chair stated that the County Council was committed to

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the provision of a new bus station in Rawtenstall which would accommodate public transport demands in the Borough.

- h) There was also concern about the prospect of severe winter conditions and the impact that would have on traffic flows in the Borough. In response the Chair reported that the County Council had allocated funds for winter service and would grit main road routes.

It was reported that comments from the meeting would be taken into consideration when developing further proposals to meet the remainder of the savings requirement in 2014/15 which would be presented to the County Councils Cabinet in December and January and would be the subject of further consultation in due course.

Agreed: That the comments set out above be forwarded to the County Treasurer for consideration by the County Council's Cabinet as part of the process for finalising the 2014/15 budget proposals.

Wyre 3TF – 5th December 2013

County Councillor David Borrow, Deputy Leader of Lancashire County Council, and Lisa Kitto, Deputy County Treasurer, Lancashire County Council, attended to present to the Forum the County Council's financial strategy 2014/15- 2017/18, including the challenge facing the council and the initial proposals made by the Cabinet for consultation.

The Forum noted the presentation

Pendle 3 TF – 9 December 2013

Lisa Kitto presented a detailed report regarding the nature of the financial challenge facing the County Council over the next few years and informed the meeting that the County Council was faced with making savings of around £300m over the next four financial years which was the equivalent to almost 40% of its current budget.

It was noted that the County Council was currently focussing on balancing the 2014/15 budget and this would enable time to be devoted to the huge challenge of downsizing the County Council to a new budget level of £640m by 2017/18. Members were informed that this reduction needed to be set within the context that between the years 2010 to 2017, the County Council would have had to make savings of over £0.5b.

It was reported that in response to the increasing financial constraints the County Council had adopted a number of approaches, including a review of planning assumptions and forecasts which had led to a reduction of £17.4m in the level of savings required over the next four years. In addition employees had identified a further saving of £19.1m through a 10% challenge to drive out waste and increase efficiency across the County Council. A number of areas totalling £17.4m had also

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been identified where the cost of being in business could be reduced, with no impact on the level or quality of services provided by the County Council to communities.

However, given the scale of the overall challenge facing the County Council it was clear that the level of savings required could not be achieved without impacting on services. The County Council was therefore undertaking a consultation exercise on a number of policy options and proposals for reshaping the way in which services would be delivered in the future.

In considering the report the following points were raised by members of the Forum:

- It was clear that the downsizing of the County Council's budget would result in a reduced workforce but the full effect on staffing numbers was not yet known. Officers agreed to circulate details about the number of staff currently employed by the County Council.
- A concern was expressed that young and elderly people would be most affected by the budget reductions. However, it was recognised that the budgets in these areas were larger than most other County Council budgets.
- Concerns were also expressed about the need to protect and indeed improve services for people suffering from dementia.
- A suggestion was made that the County Council should look to have a flatter management structure.
- It was important to keep the public informed about the reshaping of services.
- In view of the unprecedented financial situation over the next few years it was vital that the County and Borough Councils worked together to find viable solutions including shared services.
- It was felt that some borough councils may not survive and that the financial pressures facing all local authorities could pave the way for an increased number of unitary authorities across Lancashire.

Members were invited to submit any other suggestions to the County Council to help the authority to reshape its services.

Lancaster 3TF – 9th December 2013

County Councillor David Borrow, Deputy Leader of Lancashire County Council, Dave Ainscough, Head of Finance (Environment), and Steve Freeman, Head of Financial Planning and Research, Lancashire County Council, attended to present to the Forum the County Council's financial strategy 2014/15- 2017/18, including the challenge facing the council and the initial proposals made by the Cabinet for consultation.

The Forum noted the presentation, and made the following comments:

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- Support was given for the review of grants, particularly Local member Grants, noting that some aspects of monitoring and administration could be reduced, particularly for grants of small amounts. It was suggested that opportunities for joint administration of grants with the district council should be considered.
- It was noted that, whilst other authorities had implemented schemes to make pay savings such as all staff taking unpaid leave for a number of days, this was not currently a suggestion being pursued by the County Council
- The proposals connected with fostering, the Recommissioning of Mental Health Services and Learning Disability Remodelling Supported Living were highlighted as areas where great care would need to be taken to ensure that there was no detrimental impact on vulnerable service users.

Resolved: That the comments of the Forum be fed back to the County Council's Cabinet as part of the budget development process.

Hyndburn 3TF – 11th December 2013

County Councillor Borrow, Deputy Leader of the County Council, presented a detailed report regarding the above and informed the meeting over the coming years the County Council would continue to face significant financial challenges and that in addition to the £217m of savings which the County Council had already delivered, a further £300m would need to be found.

As a result the County Council had adopted a structured approach which was intended to secure around £300m of savings over the next four years and included a review of planning assumptions/forecasts in the light of more recent information which had resulted in a reduction of £16.7m. In addition engagement with staff through the '10% Challenge' had identified further efficiencies which had generated £19.1m of savings and a review of other costs within the business which had identified savings of £17.4m. The Forum was informed that the County Council's Cabinet had approved a consultation on a number of policy options and proposals for reshaping the way in which savings are delivered. Proposals for reshaping services totalling £32.3m had been put forward for consultation as had policy options totalling £30m. However, it was noted that there was still a gap of £26.8m in 2014/15 and that officers had been asked to develop options to meet the remainder of these savings requirements.

County Councillor Borrow reported that the intention was for the County Council to agree a balanced budget for 2014/15 which would then enable attention to be directed towards a more significant restructuring of the County Council in order to achieve the budget levels that were required moving forwards to 2017/18.

In considering the report the following comments were made by members of the Forum.

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- In response to a query regarding the County Councils decision to implement the Living Wage it was confirmed that any potential impact would be mitigated by the phased introduction of the Living Wage from 2014/15 onwards .
- Subsidised bus services were discussed and in response to concerns regarding the potential impact of certain services being lost it was reported that in the future the County Council would be seeking to develop contracts with operators so that profitable routes would help to maintain services on less profitable routes. It was also proposed to increase funding for community transport schemes which would assist vulnerable people by providing door to door transport.

Agreed: That the comments of the Hyndburn 3 Tier Forum, as set out above are forwarded to the County Treasurer for consideration as part of the process of finalising the County Councils budget proposals for 2014/15