



Derbyshire County Council

Improvement and Scrutiny – Resources

Budget Review

November 2011

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Executive Summary

The Authority is facing challenging times financially combined with the desire to maintain and improve the services it delivers to the residents of Derbyshire. These challenges cannot be underestimated and it is against this backdrop that this Budget Review has sought to take on the role of critical friend to the Authority's Chief Executive and his Chief Officers. This approach has provided an element of challenge and has demonstrated transparency and accountability, of both Chief Officers to Members and Members to their constituents.

I would like to thank the Chief Executive and his Chief Officers and the Cabinet Member for Finance and Management for their contribution to this review and the members of the working group undertaking this review for their active participation.

Councillor Pat Murray

Introduction

Derbyshire County Councillors have a fiduciary duty to look after the interests of council tax payers and this budget review process is one of the tools Members use to demonstrate they are representing the interests of their constituents; it allows them to assure the communities they represent that the finances of the Authority are being effectively and prudently managed.

Derbyshire County Council is facing numerous challenges, primarily the continued delivery of high quality services against a back drop of reductions in central Government funding by 28% in the period up to 2014-15, extended to 2015-16 to reflect the current Five Year Financial Plan.

Total Budget Reductions Required	2011-12 £m	2012-13 £m	2013-14 £m	2014-15 £m	2015-16 £m
	-35.399	-20.216	-11.253	-18.927	-11.451
Savings as a percentage of base budget	6.95%	4.11%	2.32%	3.84%	2.32%

Source: Revenue Budget 2011-12

The focus of this review has not been on local and national policy decisions, but to seek assurances that:

- Good financial stewardship is being exercised by each directorate;
- There is a clear plan of action as to how budget reduction requirements will be achieved;
- Frontline services are being protected;
- The jobs of staff are protected where possible; and
- Value for money is being achieved.

In addition to this review the Director of Finance and Cabinet Member for Finance and Management made presentations to each of the three scrutiny committees in September and November covering the key elements of the Council's Five Year Financial Plan, details of the budget setting process for 2012-13, and overview of local government finance and financial risk. The Working Group conducting this review is very supportive of this inclusive approach and would like to see this continue in subsequent years.

This review was conducted by a working group drawn from the Improvement and Scrutiny Committee - Resources and made up of Cllr Mr P Murray (Chair) Cllr Mr GJE MacDonald, Cllr Mr P Makin, Cllr Mrs JA Twigg and Cllr Ms A Western. The Group received briefing papers (Appendix A) from the Chief Executive and each Strategic Director prior to review meetings being held throughout September and October 2011.

Recommendation that:

The Director of Finance meets with backbench members via the scrutiny committees when setting the budget in subsequent years.

Summary of Findings

Adult Care

This directorate continues to experience significant budget pressures, driven by an aging population and increasing numbers of people surviving with high care needs. As a result, the department is currently operating with a structural funding gap of £4m (reduced from £6m in the previous financial year); however, the plan is to further reduce this by 50% by the end of the current financial year. The reductions in the structural deficit have been achieved at the same time as working towards the achievement of significant budget reductions targets. The savings target for this financial year represents 6% of the net controllable spend. Of the budget reduction requirement of £12.7m, £0.942m has yet to be identified. It is anticipated that gap will reduce due to £0.500m via additional income from co-funding and £0.250m from efficiencies in relation to consumables. Work will also be undertaken to look at generating efficiencies from the re-enablement service.

It was reported that significant efficiencies have been achieved against a backdrop of a 25% growth in the number of service users. It was reported that the structuring of the directorate into responsibility centres has contributed to better resource management and efficiency generation. However, the Working Group was concerned by the report that Responsibility Centres have been working for the first six months of this financial year without detailed management information. This has been due to the re-configuration of budget codes; this information only became available at the end of September. Managers have had access to headline figures, but have been unable to assess the substance behind these. Work has been undertaken to deliver better management of sickness absences, thus, minimising the use of agency staff. The Strategic Director expressed concerns about the speed at which staff are recruited by the Authority especially in the area of direct care. The length of time taken to recruit staff is currently having an adverse impact of the business here.

Within the directorate there is a plan of how the ongoing Adult Care budget reductions targets will be achieved, whilst meeting the manifesto commitments of the controlling group. It was reported that in Derbyshire there exists a good adult care offer, with any changes to service occurring after consultation and accompanied by the sign-posting to alternative services.

There has been a 20% growth in the demand for personal care services and a 29% increase in targeted services between the years of 2007-8 and 2010-11. Increase coverage of targeted services ensures more people are supported in their own homes and there is less reliance on personal care. A service such as befriending, which is currently being expanded, has an important role to play. The Authority still meets 'moderate needs' of clients, an area that many local authorities have sought to reduce/cut the level of service. The strategy

for the directorate is to keep people fit, healthy and out of personal care, ensuring they maintain their independence and have quality of life while possible. The shift in emphasis to focussing on preventative strategies is supported by the Working Group.

Future challenges for this directorate include dealing with the lack of suitable housing for elderly people in the county and securing funding for the directorate's Extra Care Housing plans, combined with making this provision an attractive proposition.

Summary

The Working Group was pleased with:

- Efforts that had been made by this directorate to reduce its structural deficit.
- The shift in focus to preventative strategies.

The Working Group has concerns about:

- The length of time the largest directorate in the Authority operated without up to date management information.

Recommendation that:

The Cabinet Member for Adult Care undertakes to ensure that this directorate does not experience any further difficulties with accessing appropriate and timely management information.

Chief Executive's, Corporate Resources and Policy and Community Safety

The savings strategy adopted by the Chief Executive's and Corporate Resources department has been built upon the assumption that these departments will deliver a third more savings than front-line services. The Chief Executive is also looking for this approach to be applied to 'back-office' functions in service departments. Members of the Working Group are supportive of this approach and agree that generating savings in years three and four of the current spending period will be far more challenging.

The Chief Executive informed the Working Group that he was not expecting any budget bids with the exception of those relating to the ongoing pressures presented by increasing landfill tax and demographic pressures.

Responsibility for Public Health transfers to Derbyshire County Council in 2013/14. It is estimated that the budget for this area will be £35m and there will be a formula spend attached to this, the details of which are not yet known. The interpretation and application of this formula will be important and as yet there are no indications of impact. Public Health staff will formally transfer to DCC in 2013; however, the Strategic Director for Policy and Community Safety reported that he was looking to bring these staff into the Council framework by the end of the year to allow staff and their work to be embedded into the Authority at an early stage.

The Strategic Director and Chief Executive both reported that they were positive about the prospects for Markham Vale business and industrial park. None of the speculatively built units are empty and there are a number of potential investments in this development which are close to completion. The Working Group were reassured by the policy of ensuring that jobs created by Markham Vale are new and not relocated from other areas of the county. Members expressed concern about the reduction in the regeneration team's staffing establishment, especially during challenging economic times for the county. The Group received assurances that the newly appointed Head of Regeneration will still have some flexibility in his staffing establishment to allow him to respond to the requirements of the service.

The disposal of property is still being approached with caution as the market remains depressed. Disposal of buildings which are surplus to requirements, or not fit for purpose, benefit the Authority in two ways; revenue savings due to reduced maintenance and the release of capital. A significant amount of work is being undertaken, in conjunction with the Changing the Way Derbyshire Works programme, in terms of consolidating offices and creating opportunities for mobile working as well as hot-desking, significantly reducing the number of buildings required by the Authority.

There will be significant changes at County Hall as the Adult Care terrapin building is emptied and staff are relocated to other sites. It was suggested by a number of members of the Working Group that it may be beneficial to allocate empty property, or those which are waiting for disposal on a 'peppercorn' rent basis to local charities or social enterprises. It was acknowledged that this was an area for consideration; however, it was stressed that it is important to ensure maximum benefit for the Authority is derived.

Value for money is being achieved by the Corporate Resources and Chief Executive's department in a number of ways. A significant amount of work has been carried out on utilising joint procurement opportunities with partners and generating efficiencies through enhanced buying power. Greater efficiencies have also been achieved by increasing the number of simple and cost effective transactions that can be completed online, thus allowing a more appropriate response to complex and challenging enquiries and a move away from costly communications channels being used for simple transactions. Energy management is an area currently being explored and there appears to be potential to generate significant savings. Work is currently underway to assess the achievable returns from investing in the detailed monitoring of energy usage.

Within these two directorates reductions in staff costs have been achieved through voluntary processes; the Working Group received reassurances that there has not been a loss of expertise and succession planning combined with some re-investment takes place to ensure continuity of delivery and maintenance of levels of service and expertise. These levels of savings achieved, as detailed in the appended report, have contributed to minimising the impact on frontline service delivery.

Summary

The Working Group was pleased with:

- The strategy of assuming that 'back-office' services would produce a third more savings than 'front-line' areas.
- Reassurances in relation to the ongoing development of Markham Vale.
- The work undertaken to bring Public Health staff into the Authority.

Children and Younger Adults

The Strategic Director for Children and Younger Adults reported a projected budget reduction target shortfall of £1.150m; however he was confident of finding this balance by the end of the financial year.

This directorate is facing a number of budget pressures in particular the rise in social care referrals, a broad spectrum of costs associated with looked after children and the increasing number of children with severe learning disabilities. The increasing number of looked after children will potentially have a significant impact for this directorate in the medium to long term due to the 'Southwark Ruling'. This Ruling places a duty on local authority children's services to care for homeless young people. Working Group members were pleased that a partnership approach to this issue has been adopted with the Adult Care directorate.

The focus for this directorate is to invest in preventative strategies over the next three years to reduce the numbers of children in care. This will lower the cost to the tax payer and, more importantly provide better outcomes for children. Key to this plan will be more targeting of services, avoiding services being picked up by people that do not need them.

The identification of three key priorities for this directorate (keeping children safe, readiness for school and readiness for work) received universal support from Working Group members. The Group were pleased to be informed that pathways are in place to allow these objectives to be achieved including; more manageable social work case loads, a full complement of staff and high retention rates. The need for a partnership approach to children's services and safeguarding was stressed, with the team working closely with other agencies such as the police and the health services.

It was reported that by December 2011 around 30% of Derbyshire secondary school age children will be taught in academy schools. It must be noted that there will be a financial impact from each converted school that does not purchase back Derbyshire County Council services. To mitigate this potential financial threat, discussions are taking place to find out what type of support is required from the Authority; this will allow provision to be matched to the demand from academy schools. The Group were pleased with this approach and believed that it was up to the department to ensure that it improved the quality and efficiency of its services, ensuring they are attractive to academy schools.

In terms of value for money the Children and Younger Adults directorate compares well with other authorities nationally and with members of its comparator group. The directorate has saved £2m in management costs and the Strategic Director is looking to make more management savings. Strict

vacancy control is in existence in this directorate and the senior management team here consider all recruitment proposals.

Additional efficiency will be generated through the Changing the Way Derbyshire Works programme and areas such as home to school transport. Significant value for money and improvements in service delivery will be derived from the newly formed Multi Agency Teams. All elements of the service are being considered to achieve better efficiency. One example presented to the Group was possible changes to Youth Club provision. Members of the Group would like to stress the importance of the involvement of service users and the community in any decisions regarding the closure and/or relocation of services. The Strategic Director acknowledged the budget reduction/savings agenda is very challenging and this may involve making some difficult decisions; however, assurances were given that this would be carried out in consultation with both service users and the community, and it is recognised there is a need to balance costs and cost reduction with the needs of service users.

Summary

The Working Group was pleased with:

- The focus on investing in preventative strategies, providing a financial benefit to the Authority and better outcomes for children.
- The business focus adopted in relation to service provision to Academy schools.
- The reductions in management costs undertaken.

Recommendation that:

The Cabinet Member for Younger People supports the strategy of investing in preventative strategies.

Cultural and Community Services

The Cultural and Community Services directorate reported a projected saving of £1.632m, an overachievement of £0.232m on their target budget reduction requirement.

The strategy in this directorate has been to look for additional savings at the beginning of the current five year spending period, ensuring these do not have a detrimental effect on the level of service received by the public. A key driver here has been the desire to avoid meeting budget reduction requirements by closing libraries, as has been adopted in other authorities. There are also no plans to replace managed services, particularly in libraries, with volunteers; however volunteers have and always will have an important role to play here. The Working Group was supportive of this strategy and the proactive stance that has been taken to meet budget reduction targets, acknowledging the revenue budget in the Cultural and Community Services' directorate is significantly smaller than a number of others; however the Group agreed that due to the smaller size of this directorate there are less opportunities to generate efficiencies and financial savings without a direct impact on services. The Group were also supportive of the decision not to 'top-slice' budget reductions and to consider financial requirements on a service by service basis.

Protecting the materials fund from budget reductions has been a priority for this directorate; concern was expressed that reductions here may lead to a less attractive service. Joint procurement has been undertaken with Derby City Council to purchase materials for Derbyshire's libraries. This clearly demonstrates the benefits to be derived from collaborative working, generating significant value for money. Developing innovative services such as e-book lending is being balanced with maintaining core services and this particular initiative has proved to be successful with library users.

The staffing base in this directorate is not large and reductions have been made here, including in both senior and middle management. A prudent approach has been taken towards reducing the number of staff and a solid foundation remains in place with enough resilience to cover for emergencies and to build upon in better times. Work has also been undertaken to improve the staffing profile increasing the numbers of younger and male members of staff in the service. Concern was expressed by the Strategic Director about the challenges of recruiting professional staff and the decline in the number of qualified librarians coming through the university system.

Proposals to restructure the Trading Standards division will be taken to Cabinet in December. This service is currently experiencing issues in recruiting staff with specialist animal welfare knowledge; it was reported that there is a potential risk to the Authority as resilience here can not be supplied by generic agency staff to deal with peaks in work or to respond to

emergencies. Cuts to funding by the Department for the Environment, Food and Rural Affairs has led to pressures on this specialist provision and members acknowledge that the cost to the rural economy and Derbyshire County Council could be significant in the event of a disease outbreak. It is essential to maintain an appropriate level of preventative work here and this must be taken into account when formulating future budgets.

Summary

The Working Group is pleased with:

- The proactive approach taken towards budget reduction targets, considering not just the current financial year, but the impact in years to come.
- The reduction in management costs.

The Working Group has concerns about:

- The recruitment problems in relation to staff with specialist animal welfare knowledge.

Recommendation that:

The possibility of developing links between the Council and colleges providing specialist animal welfare training is explored.

Environmental Services

The Environmental Services directorate is currently projecting a budget reductions shortfall of £0.667m; however the Strategic Director reported that he was confident in being able to address this by the end of the current financial year. Any under-spends will be carried forward to assist with future years' budget reductions and work is currently underway to plan for the achievement of subsequent years savings targets. Additional income has already been identified and work is being undertaken to develop further cross cutting savings. Working Group members were impressed by the forward planning that has been undertaken by this directorate.

The Group were informed that reductions in the capital budget will impact on the highways maintenance programme, although the level of reduction here was less than initially expected. The highways department is endeavouring to stretch their financial resources by smarter targeting of work, supported by the use of quality data from the asset management system. It is envisaged that this approach will mitigate the negative effects of budget reductions on the highways network and prevent maintenance issues from accumulating. The Working Group feel there is a balance to be struck between the need for costly emergency highways repairs and the achievement of better value for money by carrying out more sustainable technical repairs. However it is important to note that emergency repairs, although more costly, are appreciated by the community and can reduce claims for damages being made against the Authority. The Group were please to be informed that if poor quality work is carried out to the highways by third parties such as utilities companies, the department's network staff will ensure remedial work is undertaken by the appropriate company.

One of the most significant financial challenges facing the Authority is presented by the cost of landfill tax. A larger proportion of the directorate's budget reductions fall on the highways department due to the protected fixed waste budget. Landfill tax currently stands at £56 per tonne and will increase each year by £8 per tonne to £80 by 2014/15. DCC is working in partnership with neighbouring authorities to increase recycling rates and reduce the amount of waste that is sent to landfill, therefore reducing the landfill tax bill for the Authority. Following this briefing the Chairman of the Resources Improvement and Scrutiny Committee submitted a Scrutiny Review Proposal form to this committee, suggesting that it looks at the financial cost to the Authority of wastes and the risks presented by escalating landfill tax charges. This proposal was supported by members of this committee and is now at the scoping report stage.

A considerable amount of work has been undertaken to generate efficiencies in relation to staffing costs. This has been achieved by proactive management and the use of vacancy control over a number of years, resulting in £2m of unfilled vacancies. The Working Group was pleased with this approach, which

has been structured to minimise the impact on service delivery and protect remaining staffing levels. It has been calculated that there is a need to achieve a further 120 post reductions up to 2014/15; 57 of these have already been achieved through the use of voluntary early retirement and voluntary redundancies.

The directorate has plans to generate additional savings via the winter maintenance budget, with the effectiveness of the new structure being measureable once the coming winter season has passed. Members of the working group were reassured in part by the facility to call upon the winter maintenance reserve if necessary. As with proposals to instigate a system of part-night lighting the working group feel that it is important to hear the views of service users. In dealing with these emotive areas it is important to develop an effective communications strategy, measuring the impact, once implemented, against the efficiencies/cost reductions generated.

Summary

The Working Group was pleased with:

- The pragmatic approach taken to the reductions in the capital budget and seeking to minimise adverse effects on highways maintenance.
- More efficient targeting of resources by effective use of information, in particular asset management data.
- The use of vacancy control to generate efficiency savings.

Conclusion

Due to scheduling difficulties it was not possible to consider Corporate Budgets as part of this process; however these will be considered by the Working Group on 16 December, and findings will be reported to the Improvement and Scrutiny – Resources Committee meeting on 25 January 2012.

The Working Group was reassured by the sense of realism exhibited by the Chief Executive and his Chief Officers. The challenges ahead can not be underestimated and the protection of services is paramount. The good financial management that exists within the Authority has clearly contributed to the level of efficiencies achieved and the maintenance of services.

The coming years will be equally challenging and it will be important for the cumulative effects of budget reductions to be monitored. It is the intention of the Working Group that it will continue to undertake budget monitoring in the coming months and anticipates the support of Cabinet and Chief Officers in this process.

Recommendations that:

1. The Director of Finance meets with backbench members via the scrutiny committees when setting the budget in subsequent years.
2. Cabinet Member for Adult Care undertakes to ensure that this directorate does not experience any further difficulties with accessing appropriate and timely management information.
3. That the Cabinet Member for Younger People supports the strategy of investing in preventative strategies.
4. Explore the possibility of developing links between the Council and colleges providing specialist animal welfare training.
5. That the Improvement and Scrutiny Committee – Resources undertake a review of the cost implications of waste disposal to the Authority.

Appendix

DERBYSHIRE COUNTY COUNCIL

IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES BUDGET REVIEW

26th September 2011

Report of the Strategic Director – Adult Care Service

1. Purpose of Report

To inform the Budget Review Working Group of the department's budget reductions for 2011/12 and the impact they have on service effectiveness, and to identify current and future budget pressures; highlight the achievement of Value for Money in service delivery; invest to save projects; and partnership arrangements, as requested by the Chair of the Improvement and Scrutiny Committee.

2. Information and Analysis

2.1 Budget Reduction

The department's budget reduction for 2011/12 is as follows:

- 2011/12 Target £12.70m
- 2011/12 Projection (as at 31st August) £11.13m

Appendix 1 shows how the £12.70m of budget reductions will be made.

Adult Care Department is not leading on any of the corporate cross cutting projects.

2.2 Budget pressures

- Demographic Pressures
The main year-on-year budget pressure for Adult Care is the increase in demand for services due to the following factors:-
 - Demographic Growth in +65 population (£3.115m)
 - Transition of Younger people into Adult Care Services (£1.737m)
 - Increase in cases of early onset dementia (1.325m)
- Threat of Judicial Review and higher fee levels
The Council, along with many other East Midlands councils, has been challenged by the local Care Home Association about the level of fees paid to independent sector care homes. One potential outcome of this challenge is that this council will need to increase fee rates above our presumed rates of inflation.
- Increased attractiveness of Personal Budgets
Based on evidence from other authorities, the introduction of Personal Budgets will increase the attractiveness of the Adult Care offer, and

clients who would have declined a traditional service are more likely to accept a personal budget, thereby increasing the overall cost of providing care.

2.3 Value for Money in service delivery

- **Flexibility in Home Care Contracts**
The Department is seeking to change the contracts for staff in the In-House Home Care service. These changes include issuing a new standard contract of employment to all Home Helps, revising the working patterns and deployment, including a requirement to work at weekends and public holidays and incorporating travel time into contractual hours. The projected savings from these changes is £400k p.a.
- **Review of High Cost Placements**
A new national Care Funding Calculator has been introduced into Derbyshire which supports the review of high cost placements in the independent sector by helping to assess the level of staff support required and to agree a price based on relevant market knowledge. This review has reduced contract prices by £580k p.a. since its introduction in November 2010.
- **Reduced management overheads**
A review of the department's management structure has reduced the number of Tier 3 and Tier 4 managers, Domiciliary Services Organisers and Welfare Rights staff, with an annual saving of £2.8m.

2.4 Invest to save projects

- **Community Lives**
This project will employ a Service Manager and four Social Workers (at a cost of £190k p.a.) to review the provision of day care services to people with learning Disabilities. (There is a need to change the way services are provided because of the impact of personalisation, including personal budgets, the need to make efficiency savings and the requirements of government policy as it relates to people with learning disabilities, i.e. Valuing People and Valuing People Now which encompasses promoting employment and voluntary work and using person centred approaches to promote independence and choice). The outcome of this project will be to focus on achieving better outcomes and value for money.
- **NHS Funding of Social Care**
As part of the Comprehensive Spending Review, the Department of Health created a new NHS Social Care Grant. The proposed programme of investments/new services has been agreed by the Derbyshire County PCT and Adult Care. A number of the schemes are Invest to Save project and these include:-
 - Specialist Home Care for people with Dementia - £0.15m
 - Falls Recovery Service - £0.33m
 - Telecare and Telehealth - £0.25m

- Day Opportunities for people with a learning disability (part of the Community Lives project) - £0.30m

2.5 Partnerships

The department plays an active and leading role in a number of partnerships covering a range of issues. As the accountable body, the department undertakes regular budget monitoring of the partnerships, in line with departmental budget management processes. To reinforce the department's commitment to partnership working, any financial contributions to partnerships are identified as part of the annual budget setting process and are committed at the beginning of the financial year.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, human relations, legal and human rights, prevention of crime and disorder, equality and diversity, environmental, health, property and transport considerations.

4. Background Papers

None

Bill Robertson
Strategic Director - Adult Care Services

SUMMARY OF BUDGET REDUCTIONS 2011/12

Target	Amount	Notes
Increased Income		
Client contribution to personal budgets	£5.000m	This is mid-range in the amount that could be raised through co-funding. The top estimate is £8m.
Service Reduction		
Stairlift Maintenance	£0.060m	This scheme is due to start on October 1st 2011. Letters go out to clients the week beginning September 19th.
Remove Subsidy on Frozen Meals and Laundry Service	£0.180m	Current contracts expire in April 2012 to allow re-assessments to be undertaken (ES11)
Efficiency Savings		
Management - Staff Reductions – Tier 3/4	£1.748m	Re-structuring came into effect from 01.04.11 allowing a full year saving to be achieved
Management - Staff Reductions – DSOs	£0.651m	Re-structuring came into effect from 01.04.11 allowing a full year saving to be achieved
Welfare Rights replacement	£0.390m	Re-structuring came into effect from 01.04.11 allowing a full year saving to be achieved
Reduce spend on Agency Staff	£0.175m	Tighter controls have been introduced around the use of agency staff
Impact on Home Care of reablement and the associated remodelling of services	£0.750m	There are positive signs from the development of reablement. The number of clients receiving an in-house service with attendant higher unit costs is dropping as are unit costs generally for in-house services
Reduce sickness levels for relieved staff	£0.050m	The department continues to apply procedures.
Consumables	£0.494m	Mileage has dropped significantly comparing Q1 2010-11 and 2011-12 (Target £334k). Further efficiencies are being introduced in postage shortly.
Day Care - Re-commission Service	£0.400m	Savings have already been achieved in the use of fleet vehicles (Target £160k). More work is underway to rationalise transport commissioned from the private sector (Target £115k).
Re-modelling of services for low and moderate needs	£0.800m	Assessments have begun on clients using laundry and frozen meals services to determine if they are FACS eligible. Early signs are that a significant number will be screened out of this service.
Review high cost placements and other Independent Sector Residential placements	£0.300m	Work with individual providers has resulted in a significant drop in weekly costs for a number of clients.
Blue Badge processing	£0.015m	The first stage of this went live in April 2011 and subject to Cabinet approval a second stage with the option for more savings coming in Jan 2011.
Managed staff reductions	£0.700m	This has been achieved through the corporate VR/VER scheme
Return of Senior Surveyor to Corporate	£0.045m	This has been achieved
Yet to be Identified	£0.942m	
Total Budget Reduction	£12.700m	

FUTURE YEARS BUDGET REDUCTIONS

'2012/13	£7.600m
2013/14	£3.600m
2014/15	£6.500m

DERBYSHIRE COUNTY COUNCIL

**IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES
BUDGET REVIEW WORKING GROUP**

7 October 2011

**Report of the Chief Executive, and Strategic Director Policy, and
Community Safety**

**Chief Executive's and Corporate Resources Department Budget Savings
2011/12**

1. Purpose of Report

To inform the Budget Review Working Group of the Department's budget efficiencies for 2011/12 and the impact they have on service effectiveness, and to identify current and future budget pressures; highlight the achievement of Value for Money in service delivery; invest to save projects; and partnership arrangements.

2. Information and Analysis

The current position for Corporate Resources and Chief Executive's in relation to savings in 2011/12 is as follows:

Total Savings:	2011/12 Projection (as at Sept 2011)
Corporate Resources Department	
2011/12 savings target	£1.746m
Budget reductions	£0.497m
Efficiency Projects - Revenue	£ <u>0.658m</u>
Total savings 2011/12	£<u>1.155m</u>
Savings shortfall in 2011/12	£0.591m
Surplus savings in 2010/11	£0.904m
Net savings above target 2010/12	£0.313m

Chief Executive's	
2011/12 savings target	£0.590m
Budget reductions	£0.670m
Increased income	£0.018m
Efficiency Projects - Revenue	<u>£0.208m</u>
Total savings 2011/12	<u>£0.896m</u>
Savings above target 2011/12	£0.306m
Surplus savings in 2010/11	£0.309m
Net savings above target 2010/12	£0.615m

2.1 Savings

Appendix 1 shows how the CRD savings of £1.155m for 2011/12 are made up, together with a breakdown of the additional income streams and the Department's corporate cross cutting project targets.

Appendix 2 shows how the Chief Executive's savings of £0.896m are made up, together with a breakdown of the additional income streams and the Department's corporate cross cutting project targets.

The Youth Offending Service has also had a reduction in its grant from the Youth Justice Board of approximately £0.230m.

Corporate Resources and Chief Executive's Department have taken a medium term view of the achievement of savings based on the 5 year financial plan and front loaded many of our savings. i.e. found more savings than the annual targets to date; CRD £0.313m, and Chief Executive's £0.615m.

2.2 Budget pressures

Public health
Economic Development
Tourism
Property maintenance

2.3 Value for Money in service delivery

Because of the Department's position within the Authority, we are constantly looking at ways of achieving value for money, particularly through joint procurement initiatives such as electronic auctions for IT equipment; and further development of Call Derbyshire

2.4 Invest to save projects

The Departments are involved in the following projects most of which have a corporate contribution towards the Council's overall savings target:

- Software rationalisation in CAYA and Adult Care
- Changing the Way Derbyshire Works programme/property rationalisation
- Energy management
- Derbyshire Business Centre
- Shared Service Centre
- Server virtualisation

2.5 Partnerships

The Department are involved in the following partnerships:

- High Peak/Staffordshire Moorlands
- East Midlands Property Alliance
- Derbyshire Transformational Partnership
- Derbyshire Dales

There are also a number of partnerships that the Council are involved in which are facing significant financial pressures:

- Derbyshire Sport
- Derbyshire Economic Partnership
- Drugs and Alcohol Treatment Services
- Destination Management Partnership
- Public Health

3. Considerations

In preparing this report the relevance of the following factors has been considered: financial, human relations, legal and human rights, prevention of crime and disorder, equality and diversity, environmental, health, property and transport considerations.

4. Background Papers

Working papers held within Corporate Finance – Accountancy section

5. OFFICERS' RECOMMENDATIONS

That Members note the report.

Nick Hodgson
Chief Executive

David Lowe
Strategic Director
Policy and Community Safety

Budget savings 2011/12

Corporate Resources Department

Efficiency savings **£**

Corporate Finance – restructuring 92,000

Corporate HR

Reduction in establishment 220,000

Employee assistance programme
- change to in house service 30,000

Legal Services

Job reductions/controllable budgets 166,000

Corporate Property

Re-organise office management 50,000

Business Support

Rationalise staffing/increased income 100,000

Total Efficiency savings **658,000**

Service Reductions

Transformation Division

Reduction in change management budget 300,000

Corporate HR

Reduction in HR strategy budget 10,000

Core Systems

Reduction in support and development 87,000

Property Services

Reduction in building maintenance budget 100,000

Total service reductions **497,000**

TOTAL CRD SAVINGS 2011/12 **1,155,000**

Budget Savings 2011/12**Chief Executive's**

Efficiency savings	£
Public Relations	
Campaign cuts, reduction in publications	25,000
Reduction in establishment	61,000
Contact Centre	
More efficient call handling	33,000
Transfer of services to website/automated call handling	70,000
Emergency Planning	
Reduction in establishment and controllable budgets	<u>19,000</u>
Total efficiency savings	<u>208,000</u>
Increased income	
Website	
Increased income	18,000
Service Reductions	
Reduction in Community Venture agreements	32,000
Regeneration section	
Reduction in establishment	113,000
Subscription to East Midlands European office	6,000
Subscriptions to organisations	2,000
Policy and Research	
Staffing	98,000
Consultation budget	55,000
Grants to voluntary organisations	6,000
Reduction in support for local Area forums	70,000
Community safety partnership officers/ police partnerships	48,000
Community Safety Area Based Grant	<u>240,000</u>
Total service reductions	<u>670,000</u>
TOTAL Chief Executive's savings 2011/12	896,000

DERBYSHIRE COUNTY COUNCIL

IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES BUDGET REVIEW

10th October 2011

Report of the Strategic Director – Children and Younger Adults

1. Purpose of Report

To inform the Budget Review Working Group of the department's budget efficiencies for 2011/12 and the impact they have on service effectiveness, and to identify current and future budget pressures; highlight the achievement of Value for Money in service delivery; invest to save projects; and partnership arrangements, as requested by the Chair of the Improvement and Scrutiny Committee.

2. Information and Analysis

2.1 Budget Reduction

The department's budget reduction for 2011/12 is as follows:

- 2011/12 Target £10.90m
- 2011/12 Projection (as at 31st August) £9.75m

Appendix 1 shows how the projected £9.75m budget reductions will be achieved.

2.2 Budget pressures

The number of Looked After Children (LAC) is currently 680. This proportion of the under 18 population, although favourable when compared with national and statistical neighbour averages (see Appendix 2), is significantly above the level which can be supported by the budget (~580). The additional cost has been moderated by the enhanced ability of the Authority to meet demand via increased foster care capacity rather than external placements. The additional annual cost for each child in care ranges from around £15,000 to £40,000 depending on where the child is placed. The current estimated annualised cost for placements for children in care is £19.0m. However, if the mix of placements was the same as in 2010/11, the estimated cost would be £19.8m.

Care Leavers – there are continuing pressures arising from the “Southwark ruling” which places the duty on Children's Services to care for homeless young people. Costs in 2011/12 are expected to exceed the allocated budget by around £0.5m.

Academies – there is a continuing drift of secondary schools towards Academy status. It is expected that by 1st November 2011 over 30% of

secondary aged pupils will be attending one of 14 Academies in Derbyshire. One impact of this is the reduction in funding to the Council and thus service departments, including CAYA. £2m has already been top sliced from the Council's Formula Grant for 2011/12.

The losses resulting from academies may be offset in part by trading and cost reductions. However, the majority of the reduction in funding will have to be met by increased savings' targets. If this trend continues then the loss of funding could adversely impact the ability of the Authority to deliver services to schools which choose to remain with the LA.

2.3 Value for Money in service delivery

Derbyshire's 2011/12 budget for Children's Social Care equates to £86.17 per resident; this compares with £99.54 (SN's) (Derbyshire is 2nd lowest of 11) and £92.84 (English Shire Average) (Derbyshire is 19th highest of 27) (Source: CIPFA F&GP Estimates 2011/12)

The savings listed in Appendix 1 include many where services continue to be provided via alternative arrangements. One example being the signposting service which has been decommissioned and support is now provided via the new Multi Agency Teams (MATs).

The creation of MATs, as well as generating savings in management costs, also brings more effective and higher quality services to local communities.

The savings list also incorporates savings achieved as part of the Authority's CWDW programme. These include:

Accommodation: - (De Bradlei House, Market House, School Board Lane, Dove Dale Circle)

Smarter Travel – reduced use of transport for contact visits, SEN transport, officer travel

Procurement – reduced agency staff usage, re-commissioning of services

Core Systems – reduction in back office costs across Finance, HR and Business Services

2.4 Invest to save projects

A key area for CAYA is to improve the support for children and families to prevent the need for children to be taken into care where appropriate. The focus will be on earlier and more assertive interactions with parents, other carers and family units. The intention is to focus on achieving better outcomes for families and children rather than reacting to families which have reached a crisis.

In addition, the intergenerational cycle of repetition needs to be broken so that future children are given the best opportunity to live healthy and secure lives.

Although the potential for savings exists, there is likely to be a period of increased spend before family units are sufficiently secure to avoid children coming into care.

2.5 Partnerships

Multi Agency Teams

Children's Trust

Health and Wellbeing Board

Safeguarding Children's Board

Derbyshire Partnership Forum

Locally based teams also link with key organisations working in the same areas such as Safer Neighbourhood partnerships.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, human relations, legal and human rights, prevention of crime and disorder, equality and diversity, environmental, health, property and transport considerations.

4. Background Papers

Supporting papers held within CAYA Finance.

Ian Thomas
Strategic Director
Children & Younger Adults Department

CAYA SAVINGS - 2011/12 to 2014/15

Ap

pendix 1

The planned savings targets for CAYA for the next 4 years are as follows:

2011/12	2012/13	2013/14	2014/15	Total
£10.9m	£6.5m	£3.1m	£5.6m	£26.1m

CAYA's controllable base budget for 2011/12, net of the above savings target is £118m. Of this £42m (36%) relates to safeguarding and specialist services. The high priority placed on these services, both nationally and locally in the Council Plan, places additional pressures on other budget heads to meet the savings target.

Budget Savings 2011/12

		Value
Saving	Notes	£m
Efficiency savings		
Reduction in management and senior staffing	Various e.g. senior management team, development, adult ed, behaviour support, advisory service etc.	2.412
Back Office – Staffing, accommodation and other support costs.	Reductions in finance, HR, information, business services back office support.	0.925
Looked After Children (LAC)	Reductions in unit costs - by more in house foster carer provision; cost avoidance through extension of foster carers' homes. *N.B. budget under pressure due to continuing higher numbers of LAC.	0.490
Commissioning	Reduced costs of contracts e.g. Homestart and Aftercare	0.249
Sub total - efficiencies		4.076
Increased Income		
Use of external funds	DSG used to cover some non statutory school related services e.g. educational psychology time, SEN.	0.500
Support for schools causing concern	Replacement DSG funding agreed by Schools Forum	0.357
Health	Contribution from Health for LAC	0.050
Denominational transport	Charges phased in from Sept 2011	0.035
Sub total – Increased income		0.942

Service reductions		
Early years	Reductions in early years support including sustainability funding, graduate leadership support and savings in children's centre costs	1.920

Commissioned Services	Decommissioning services such as: signposting, children's mediation, mental health in schools, general family support, runaways etc.	1.419
Youth service	Cessation of support for positive activities and youth opportunities fund	0.492
Transport	Reductions in use of taxis, reduced support for contact visits/respite care, contract re-tendering, staff travel.	0.332
Choice/Travel advisers	Cessation of support to parents	0.174
Outdoor Education	Reduced subsidy to Sports Outdoor and Residential Education (SORE) service	0.088
Other	Miscellaneous reductions in residual teenage pregnancy budget, emergency clothing budget etc	0.311
Sub total – Service reductions		4.736
Estimated Savings 2011/12		9.754
Target for year		10.900
Balance to find		1.146

Looked After Children - Contextual Information

Comparator group	Looked After Children Per 10k Pop U18					March
	2006	2007	2008	2009	2010	2011
Nottinghamshire	28	27	29	31	36	43
Lincolnshire	40	37	38	38	38	35
Derbyshire	31	31	34	33	40	42
Staffordshire	39	38	38	41	44	47
Northamptonshire	37	37	36	42	46	48
Kent	43	40	44	46	47	54
Cumbria	47	46	48	45	52	53
Warwickshire	42	41	43	48	52	57
Lancashire	50	51	51	51	52	53
Wigan	61	60	64	73	78	71
Dudley	67	70	76	82	93	93
Statistical Neighbour Average	45	45	47	50	54	54
National/England Average	55	55	54	55	58	59

Some points to note

- March 2011 Derbyshire's LAC numbers - 42 per 10k (under 18 pop'n) compared to 54 (Stat Neighbours) and 59 (English Ave)
- Derbyshire's LAC per 10k is 2nd lowest of 11 Statistical Neighbours
- If Derbyshire were at the SN average (54) this would equate to a 29% increase (191 children at £40k each, circa **£7.64m**)
- Derbyshire's disabled children in care population has risen in previous 12 months from 26 to 30 (up 15.3%) compared with increase from 606 to 630 (up 3.9%) for the rest of the population
- Derbyshire's Referrals to social care per 10k pop during 2010/11 was 530. This compared with 525 (Stat Neighbour Avg) and 555 (England Avg)
- Derbyshire's referral rate is 6th highest out of 10 Statistical Neighbours (Northamptonshire data not available)

* 2011/12 budget for Children's Social Care equates to £86.17 per resident; this compares with £99.54 (SN's) (Derbyshire is 2nd lowest of 11) and £92.84 (English Shire Average) (Derbyshire is 19th highest of 27)

(* Source: CIPFA F&GP Estimates 2011/12)

DERBYSHIRE COUNTY COUNCIL
IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES
BUDGET REVIEW

29th September 2011

**Report of the Strategic Director – Cultural and Community
Services**

1. Purpose of Report

To inform the Budget Review Working Group of the department's budget efficiencies for 2011/12 and the impact they have on service effectiveness, and to identify current and future budget pressures; highlight the achievement of Value for Money in service delivery; invest to save projects; and partnership arrangements, as requested by the Chair of the Improvement and Scrutiny Committee.

2. Information and Analysis

The department's current position in relation to cash efficiency savings in 2011/12 is as follows:

Total Savings:	2011/12 Target	2011/12 Projection (as at 22.9.2010)
Budget reductions	£1,400,000	£1,631,896
Additional Income	£0m	£0m
Efficiency Projects (CSR10) Revenue Capital	£0m £0m	£0m £0m

Appendix 1 shows how the £1,631,896 of budget reductions is made up.

Appendix 2 demonstrates the department's progress and latest position with regard to delivering the target efficiency savings required through corporate cross cutting projects.

2.1 Efficiency savings

The £1,631,896 of revenue efficiency savings identified so far relate to projects in the following areas:

Departmental costs £161,500

Library Service Review £673,000

Mobile Library Service Review £70,000

Reduction in Materials Fund £531,615

Arts and Archives Service £40,000

Trading Standards Service Review £155,781

Total budget reductions £1,631,896

2.2 Budget pressures

Departmental

The Spending Review represents the single biggest challenge to the services the department delivers to local people. There is increasing pressure to maintain and improve the quality of existing services against the backdrop of fewer resources.

Trading Standards

DEFRA Funding

Defra funding cuts will provide staffing pressures for market surveillance at farms, livestock markets, slaughterhouses and other animal gatherings to ensure animal disease controls are maintained and to prevent unnecessary suffering to livestock. The cost to the rural economy in the event of disease outbreak could be devastating.

Consumer Landscape Review

The Department of Business Innovation and Skills has proposed that funding to tackle consumer fraud be transferred from the Office of Fair Trading to local authority trading standards via a new Trading Standards Policy Board. To enable local authorities to identify and prioritise consumer detriment, authorities are being encouraged to adopt the 'National Intelligence Model' and work increasingly in partnership with other regulators locally, regionally and nationally. To

facilitate this, the Division needs to develop a local intelligence capability which it is not currently resourced to do.

Libraries

South Normanton Library at the Hub

A new South Normanton Library opened in February 2011 and analysis of usage during the first 3 months showed a 45% increase in book issues, a 117% increase in PC use and a 168% increase in visits. There is also significant public demand for an increase in opening hours, beyond the increase that was made when the library was relocated. The potential for reallocating staffing resources from other libraries is being investigated.

ICT

National digital initiatives, e.g. Race On-line and the increasing use of the internet as a delivery mechanism by statutory, voluntary and commercial organisations increases the demands on the IT infrastructure, both for customers and staff. Continuing growth in the use of libraries as County Council touchdown centres will also leading to additional pressure on the ICT infrastructure.

E-Books

In July 2011 a new e-books loan service was launched and take up has already exceeded all expectations. Over 600 people registered for the service in the first month and demand is still growing. Resourcing a new service is challenging and the cost of meeting increased demand will create pressures upon a smaller Materials Fund budget. Additional 'one off' funding has been secured through the outturn process to purchase further titles.

Home Library Service

Maintaining and growing the number of people receiving the Home Library Service plus increased need for materials in alternative formats. Additional demand could be met through the greater involvement of volunteers in service delivery.

Bookstart

Increased pressures on delivery particularly linked to our own transport systems and reductions in PCT budgets. The library service works closely with the local PCT to ensure it meets its targets and recent changes to the scheme may assist in meeting delivery targets

Adult learning

An increasing demand for informal learning provision in libraries as it is withdrawn from other agencies. In some locations libraries can be used outside normal opening hours by tutors to deliver learning activities.

Buxton Museum and Art Gallery

Storage

Space to adequately store the collections from Elvaston Castle and the Derbyshire Police. The existing collections are regularly reviewed to minimise the amount of storage space needed

Wonders of the Peak

Need for improvements to this area of the museum linked with H&S issues and the proposed addition of a new fire escape, for the use of the courts, at the rear of the building. A provisional meeting has been arranged with the Heritage Lottery Fund to investigate external funding

World Heritage Site

Budget

A core budget has been established to fund the World Heritage Site Team. There is still a need to secure revenue funding to support an ongoing programme of development activities to maximise the benefits of the World Heritage Site for Derbyshire.

2.3 Value for Money in service delivery

As a result of improvements in the acquisition and processing of materials, particularly an increase in the use of technology and direct delivery from suppliers to libraries, changes have been made to the structure of the Stock Unit. There was a reduction in the overall staffing levels of the Unit from 8.5 fte posts to 6.5 fte posts to realise a saving of £50,000, £33,000 of this was realised in 2011/12 and the remainder will be achieved in 2012/13.

A comprehensive review of back office functions was undertaken prior to the review of Business Services to reflect new ways of working. This has resulted in the re-engineering of a range of processes and enabled Business Services to make staff savings in 2011/2012 of £71,500.

2.4 Invest to save projects

Self service issue and return terminals have been installed in eleven libraries, and will be extended to Chesterfield Library as part of a major revamp of the entrance area. Savings in staff costs of approximately

£121,000 have been achieved through this change. Further funding has been identified to support the extension of self service to up to 3 more libraries.

A new self service PC bookings system is also being introduced in the current financial year. This will automate the booking of public access PC's in all 45 Derbyshire Libraries and allow remote booking via the internet. It is estimated that the saving in staff time will equate to 1.5 fte or approximately £31,000 per annum.

In 2011/12 the library service plans to introduce an e-mail and text alert service for library customers. Where customers have appropriate devices to receive this form of communication it will remove the need to send notices through the post or contact customers by making telephone calls. An annual revenue saving of £20,000 on postage has been identified through this improvement.

2.5 Partnerships

World Heritage Site

Derbyshire County Council leads the multi-agency partnership delivering the vision of making the Derwent Valley Mills, the only World Heritage Site in the East Midlands, a major tourism destination. Other local authority partners contribute £52,500 to the running costs. 2010/11 saw the establishment of new governance arrangements, with a streamlined Board, and recruitment to a WHS Management Team was completed in 2011/12.

Joint Arrangements with Derby City Council

Derbyshire County Council is the lead authority in a number of joint arrangements with the City Council:

- Provision of a Library Management System
- Stock procurement
- Derbyshire Records Office, based in Matlock
- School Library Service, based in Derby.

Picture the Past

A partnership between Derbyshire, Nottingham and Nottinghamshire to digitise historic photographs, slides, negatives, glass plates, postcards and engravings recalling the history of the local communities. Derbyshire hosts the staff and venue for the project.

3. Considerations

In preparing this report the relevance of the following factors has been considered: financial, human relations, legal and human rights, prevention of crime and disorder, equality and diversity, environmental, health, property and transport considerations.

4. Background Papers

None

Martin Molloy OBE
Strategic Director Cultural and Community Services Department

Appendix 1

Cultural and Community Services: Budget Reductions 2010/2011	
Departmental Costs	£161,500
Mileage reduction	
Reduce departmental training budget	
Review Business Services	
Reduce IT budget	
Library Service Review	£673,000
Library Service re-structuring	
Self service in libraries	
Reduce relief budget	
Review opening hours across the services to achieve staff savings & cease Sunday opening in libraries	
Stock Unit changes	
Learning budget	
Mobile Library Service Review	£70,000
Reduction in materials fund	£531,615
Arts and Archives Service	£40,000
Delete Archivist Post	
Community Arts Budget	
Trading Standards Service Review	£155,781
Trading Standards re-structuring	
External Document Storage Trading Standards following introduction of EDRM	
Reduction in TS testing and sampling budget	
Reduction in TS mileage budget	
Reduction in TS planned overtime	
TS Placements students removed from establishment	
Total budget reductions	£1,631,896

Contribution to corporate cross-cutting efficiencies

Location-independent working

Thirteen libraries have been equipped with workstations so that they can be used as touchdown centres for county council employees. This initiative supports the growing number of county council staff who are location-independent workers, as part of Changing the Way Derbyshire Works. A similar number are equipped with free public WiFi for use by library visitors.

Smarter travel

A reduction of £30,000 has been achieved in travel costs incurred by staff across the department. A rationalisation of the mobile library fleet will realise a further £70,000.

Accommodation

Trading Standards has vacated an entire floor of its premises in Chatsworth Hall for corporate use.

Work has commenced on the extension to the Derbyshire Record Office and the refurbishment of Wyvern House, to create a unified Local Studies and Archives Service. When the building reopens in 2012/13 a significant space will be released in County Hall. That entire wing will be released for corporate use when the Stock Unit is relocated to the Coop Building in Smedley Street.

Three libraries are moving from dedicated premises into buildings shared with other services. South Normanton Library relocated to The Hub in February 2012¹, and visitors to the library have increased by 168%. The new libraries in Ashbourne and Glossop, coming on stream in 2012/13, will incorporate other council and community services, with a consequent reduction in the council's estate.

Derbyshire County Council

Improvement and Scrutiny Committee – Resources Budget Review

Thursday 15 September 2011

Report of the Strategic Director – Environmental Services

Environmental Services Budget Savings 2011/12

1. Purpose of Report

To inform the Budget Review Working Group of the Department's budget savings for 2011/12 and the impact on service effectiveness, and to identify current and future budget pressures; highlight the achievement of value for money in service delivery; invest to save projects; and partnership arrangements, as requested by the Chair of the Improvement and Scrutiny Committee.

2. Information and Analysis

The Department's current position in relation to revenue budget savings in 2011/12, as at 31 August 2011, is highlighted in the table below:

Total Savings	2011/12 Target	2011/12 Projection
Budget Reductions (Revenue)	£6.700m	£6.199m
Additional Income	£0.186m	£0.143m
CWDW Corporate Cross Cutting Projects	£1.246m	£1.123m

Appendix 1 provides further details regarding how the budget savings of £6.199m will be made.

Appendix 2 highlights more information regarding the new income streams identified and the Department's progress and latest position with regard to delivering the target budget savings required through the Changing the Way Derbyshire Works (CWDW) corporate cross cutting projects.

The Department has also seen a reduction in capital allocation from £36m to £20m, resulting in a reduction in highways capital of £12m. In addition to this, the highways maintenance revenue budget has had to

bear a significant proportion of the revenue cuts, as a reduction in the waste revenue budget could result in the Authority incurring financial penalties. This has had a significant impact on the highways maintenance budget which will therefore affect the highways programme for the coming years.

2.1 Budget Pressures

Inevitably with such significant reductions in both revenue and capital budget provisions there are budget pressures, especially in key areas of the Department with potentially significant risks and impacts for the Council and the local community. These areas include:

- Highway and Winter Maintenance
- Waste Management

2.2 Value for Money in Service Delivery

Environmental Services has achieved value for money in service delivery through initiatives such as joint procurement and partnership activity including:

- Midland Highway Alliance
- Joint Waste Management Partnership

2.3 Invest to Save Projects

Environmental Services has secured invest to save funding of £1 million over 4 years to fund part night lighting, by switching off selected lighting columns in appropriate and targeted locations, engaging with local communities. This will achieve both financial savings and carbon savings as a result of the reduction in energy use. Further information and proposals will be presented to Cabinet in September 2011.

2.4 Partnerships

The Council has responsibilities, both financial and accountability, for the following partnerships:

- Derby and Derbyshire Road Safety Partnership
- Midland Highway Alliance
- Joint Waste Management Partnership

3. Considerations

In preparing this report the relevance of the following factors has been considered: financial, human resources, legal, prevention of crime and

disorder, equality and diversity, environmental, health, property and transport considerations.

4. Background Papers

Working papers held by Assistant Director – Resources and Improvement and minutes of management team meetings. Key Contact: Mags Young ext. 38501.

Ian Stephenson
Strategic Director – Environmental Services

Appendix 1

Environmental Services Budget Savings Targets 2011/12 to 2014/15

The table below highlights the target savings for the next four years:

2011/12	2012/13	2013/14	2014/15	Total
£6.7m	£4.0m	£1.9m	£3.4m	£16.0m

Background and Context

Overall 75% of Environmental Services total revenue budget is made up of:

- 43% highways (maintenance)
- 34% waste management

The remainder of the departmental budgets comprise:

- 13% integrated transport
- 7% planning and countryside (excluding waste)
- 3% support services

However, there is little opportunity to make significant cuts to the waste budget as the vast majority of this budget comprises landfill tax and landfill charges. As such this puts even more pressure on the highways maintenance budget to take significant budget cuts to meet the target level of savings required.

Environmental Services Budget Savings for 2011/12

Staffing

£2.000m

- Savings from reviews of highways and transportation, business support, planning and countryside services
- Reductions through natural wastage, turnover, succession planning, VR/VER scheme and creation of multi skilled business support resource pools
- Potential reduction in headcount of 120 jobs over 4 years throughout the Department including back office support and frontline service delivery staff to match budget and service cuts

Passenger Transport

£1.200m

<ul style="list-style-type: none"> Improved public transport procurement and reductions in the supported bus network, b-line concessions and removal of rail fare concessions 	
Highway Maintenance	£1.000m
<ul style="list-style-type: none"> Targeting and efficiencies in the highway improvement and maintenance programme including a reduction in the highways maintenance and improvement programme, increase in intervention levels and a reduction in associated costs 	
Winter Maintenance	£1.000m
<ul style="list-style-type: none"> Reductions in winter service provision, through classification and prioritisation of routes, and a review of the gritter fleet over time Creation of a new £2 million winter maintenance reserve to cover the vagaries of winter weather and ease pressure on the highways base budget 	
Street Lighting	£0.200m
<ul style="list-style-type: none"> Targeting street lighting inspection and maintenance programme, saving resources and achieving carbon reduction 	
Waste Management	£0.288m
<ul style="list-style-type: none"> Rescheduling of household waste recycling provision 10% saving on M-Payment 	
Various Other Initiatives	£0.511m
<ul style="list-style-type: none"> Reductions in fleet costs, travel and publicity and promotions, greater income generation* and CWDW Corporate Cross Cutting Projects** including: <ul style="list-style-type: none"> Core Fleet - Rationalisation and reduction of the core vehicle fleet Introduction/Increase in Charges - Increase charges for current on street parking scheme and introduction of car parking charges at countryside sites throughout the county, all to generate new income Publicity and Promotions - Reductions in printing and promotions budgets including road safety, passenger transport and countryside budgets Travel – Reduction in travel/mileage budgets and use of pool cars at targeted locations to achieve greatest benefits Agency Employees and Consultants – Reduction in use of agency employees and associated expenditure Countryside Services - Review of Countryside Service including disposal of assets, scope for additional income generation, scaling back of partnership working, increasing use of volunteers 	

Total Savings Identified for 2011/12 (As at 31 August 2011)	£6.199m
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New Income Streams*

The overall budget savings information detailed in Appendix 1 includes income figures for 2011/12. The table below provides more detailed information regarding initiatives being implemented to achieve target income levels, in addition to income already generated within Environmental Services:

New Income Streams

£0.186m

- Generation of new income streams including:
 - Increase charges for current on street parking schemes; however there is likely to be a shortfall of £43,000 due to delays in implementing the increased charges
 - Introduction of car parking charges at countryside sites throughout the county
 - Implementation of licensing fee for skips and scaffolds permits
 - Implementation of fees associated with planning services

CWDW Corporate Cross Cutting Projects**

The overall budget savings information detailed in Appendix 1 includes targets savings regarding CWDW cross cutting projects for the Department for 2011/12. The table below provides further information against each of the identified projects:

CWDW Corporate Cross Cutting Projects

£1.246m

- Budget savings to support the CWDW projects including:
 - Smarter Travel – Through rationalisation of core fleet vehicles; reductions in passenger transport provision; reduction in grey fleet mileage budgets; maximising technology (e.g. teleconferencing) and reduction in demand for transport. Environmental Services staff are also working with colleagues in Children and Younger Adults and Adult Care Department to assist them in achieve savings in their relevant transport budgets to help them achieve their target savings
 - Core Systems – Through more streamlined processes although there are still significant development requirements to SAP to enable the Department to begin making savings, due to the nature of the work undertaken within Environmental Services in particular

- Accommodation - The Department is also working proactively with colleagues in Corporate Property to help achieve target savings and has to date contributed to savings through accommodation changes at Shand House to enable expansion of the Call Centre and provision of space for the provision of new IT servers, saving the Council in excess of £750,000 in opportunity costs