

Decision Maker: **IMPROVEMENT AND EFFICIENCY SUB-COMMITTEE**

Date: **Wednesday 3 October 2012**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **WORKSTREAMS TO SECURE FURTHER SAVINGS**

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Chief Officer: Doug Patterson, Chief Executive

Ward: Borough-wide

1. Reason for report

To inform Members of the I & E Sub-Committee of the progress being made in relation to the work to secure further financial savings.

2. **RECOMMENDATION(S)**

Members note and comment on the work to date.

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Doug Patterson
 4. Total current budget for this head:
 5. Source of funding: Existing Revenue Budgets
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Staff

1. Number of staff (current and additional): 1.6
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: Non-statutory
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Dependent on Member decision-making; potentially all customers.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

- 3.1 To date the Council has identified a range of savings, totalling £23m in 2012/13 rising to £33m (cumulative) by 2013/14. However, a further £28m needs to be found for the period 2014/15 – 2015/16 and there are a number of financial variables which could negatively impact on this position.
- 3.2 Savings so far have been delivered as a result of strong financial management and clear Member decision making regarding priorities. However, a departmental approach will not be sufficient to make further significant revenue savings while maintaining service breath and quality.
- 3.3 Since the last meeting of the Improvement & Efficiency Sub Committee Officers have developed a number of separate, but related, corporate workstreams to secure further savings. The purpose of this report and presentation at the meeting is to apprise Members of this activity and how it is proposed to be developed further in the future.
- 3.4 An overview of each workstream is given below.
- 3.5 **Workstream 1-Basel Line Review-‘What’ Services we deliver.**
- 3.6 This workstream is concerned with reviewing the services the organisation currently provides and developing options to reduce both range and quality of service whilst continuing to meet our statutory duties.
- 3.7 Chief Officers have been asked to present an overview of their existing services, the minimum (statutory) level of service required, and a professional recommendation of the services/standards necessary in order reduce potential risk, mitigate community/individual service user impact and help deliver our Building a Better Bromley priorities.
- 3.8 When complete these reviews will be subject to cross portfolio Member and Officer debate and potentially external evaluation by specialist advisors in some areas.
- 3.9 **Workstream 2- ‘How’ we deliver services**
- 3.10 The Council has identified an ambitious vision as a commissioning authority and we have a successful history of externalising services to both the private and third sector. We are now exploring what additional value may be gained by transferring directly provided services to alternative delivery models, such as further private/third sector outsourcing, establishing a wholly owned Local Authority Trading Company or devolving delivery to communities or social enterprises.
- 3.11 We will shortly be producing a 5 year commissioning strategy which will include prioritisation and packaging of services, estimated financial benefit for various delivery models and an implementation plan.
- 3.12 This workstream need to be informed by Member decision making in relation to Workstream 1; ‘what’ services/standards are to be provided beyond the statutory minimum (Workstream 1).
- 3.13 This workstream will also pick up on the work of the corporate procurement group to ensure we are procuring smartly and driving value from our existing suppliers.
- 3.14 **Workstream 3-Sustainable Income Opportunities/Economic Growth**
- 3.15 Officers are currently investigating ways in which the authority could potentially maximise income from the various “incentives” put in place by the coalition government.

3.16 The being looked at are:

- Maximising CIL
- Maximising Business Rates
- Maximising New Homes Bonus

3.17 As part of this work a comprehensive review of the Council's asset portfolio is also be undertaken with a view to rationalising in order to generate capital receipts and facilitate new investment opportunities.

3.18 Members are advised that regardless of any policy decisions which they select to capitalise on these opportunities, they will not be sufficient to bridge the budget gap and significant additional savings (from Workstreams 1 and 2) will still be required.

3.19 **Workstream 4-Significant Financial Variables**

3.20 This workstream, which is being lead by the Director of Finance, is concerned with managing issues that have the potential to have a significant negative impact on the council's finances.

3.21 The issues will be expanded upon through the normal financial monitoring mechanisms.

3.22 The current issues identified to date include:

- Local Authority Central Services Education Grant (LACSEG)
- Proposals for Retention of Business Rate
- Council Tax Benefit Localisation
- Comprehensive Spending Review
- Inflation
- Interest on Balances
- Technical Changes to Council Tax Discount
- Children on Remand
- Community Budgets
- Dilnot Review of Adult Social Care
- Open Public Services
- Localism Act
- Welfare Reform: Changes to Housing Benefit
- Demographic and Population Changes
- New Environment Agency Guidance
- Eurozone Debt Crisis
- Public Sector Pension
- Review of School Funding

3.23 **Workstream 4: Organisational Implications**

3.24 This workstream will consider the consequences of the other four Workstreams for the organisation. For example:

- What does moving further towards a commissioning authority mean for the future structure and governance of the organisation?
- What skills will the organisation require and do we currently have them? Do we know?
- Do we have sufficient business change and transformation capacity to manage the transition? If not, how will we resource any implementation activity?

- What are the significant cross cutting issues resulting from the workstream activity?

4. POLICY IMPLICATIONS

- 4.1 The Workstreams programme has been established to support Council's Corporate Operating Principles and Building a Better Bromley priorities.
- 4.2 Future Member decision making in relation to all 4 workstreams is likely to affect current policy.

5. FINANCIAL IMPLICATIONS

- 5.1 Financial implications will vary across this work and will be dependent on Member decision making.
- 5.2 The progression and implementation of some workstream activity will require additional resource from that currently deployed and may be the subject of a future invest to save bid to Members.

6. LEGAL IMPLICATIONS

- 6.1 None arising directly from this Report.

7. PERSONNEL IMPLICATIONS

- 7.1 None arising directly from this Report.