

CLACKMANNANSHIRE COUNCIL

Report to Council

Date of Meeting: 18 December, 2014

Subject: Budget Update

Report by: Chief Executive and Depute Chief Executive

1.0 Purpose

- 1.1. The purpose of this report is to update Council on the financial outlook, the indicative funding gap and proposals for taking forward the 2015-16 budget.

2.0 Recommendations

2.1 It is recommended that Council:

- a) notes the financial outlook (paragraphs 3.1 to 3.12)
- b) notes the revised cumulative indicative funding gap of approximately £22million to 2017/18 (Tables 1 and 2);
- c) notes progress with the Budget Challenge process (Section 5)
- d) notes that the officer savings proposals identified to date (paragraph 5.3) do not close the current funding gap in any future years;
- e) agrees in principle the alternative operational model for the Council going forward (section 4) including the principle of the development of secondary and primary schools as community service hubs;
- f) agrees to undertake public consultation on the alternative operational model and the illustrative officer savings proposals (sections 4 and 6 and Appendix B);
- g) notes that some of the illustrative officer savings proposals for 2015-2016 would require a reduction in staff numbers for them to be achieved.
- h) agrees that compulsory redundancy may be utilised as one of a number of mechanisms to reduce the Council's establishment within the development of an overarching workforce strategy.

3.0 Financial Outlook & Funding Gap

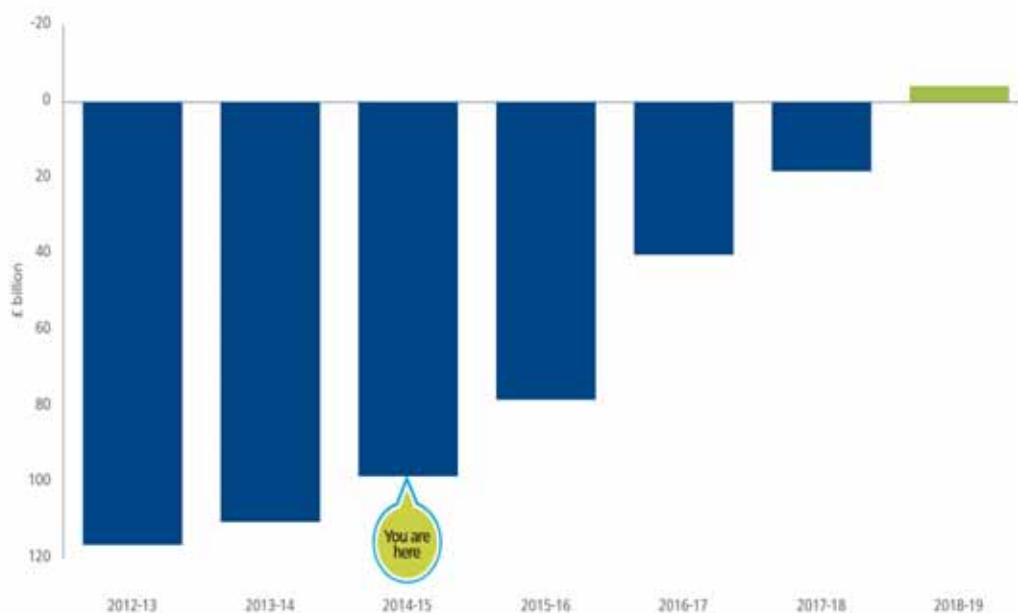
- 3.1 In the Summer of 2014, Deloitte published its most recent research on the United Kingdom's (UK) financial position. It was titled *'The State of the State 2014/15:*

Government's Inflection Point'. Some of the key points are summarised in the following section alongside the most recent analysis prepared by Fiscal Affairs Scotland (previously Centre for Public Policy for the regions (CPPR)).

- 3.2 Exhibit 1 shows the current Office for Budget Responsibility (OBR) forecasts of the United Kingdom's (UK) public sector expenditure profile to 2018/19. This suggests that the UK deficit now stands at £96 billion and is expected to return to surplus by 2018/19. On this basis, the deficit reduction appears to be at about the half way mark, though significant reductions in expenditure need to be made in the coming 3-4 years if the deficit is to be eliminated within this timeframe.

Exhibit 1: Deloitte: Eliminating the deficit

Figure 4. Eliminating the deficit
Public sector borrowing



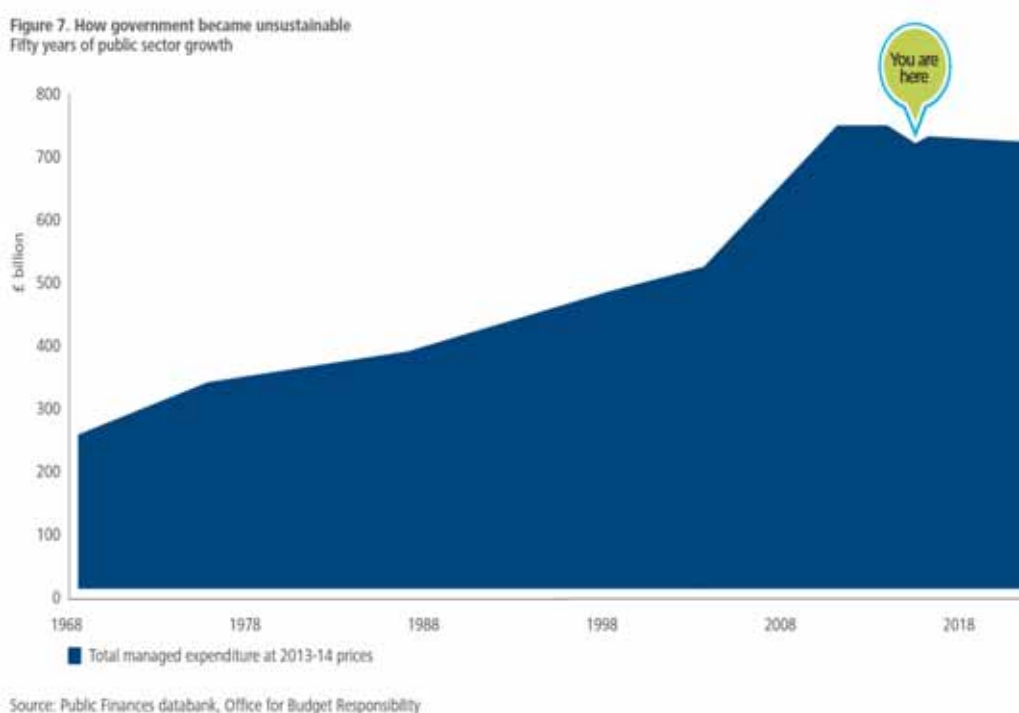
Source: Economic and Fiscal Outlook, Office for Budget Responsibility

- 3.3 If the UK Government's fiscal consolidation target is met, spending reductions over the nine year period will take public sector expenditure as a percentage of GDP back to its 2001 level.
- 3.4 Successful delivery of the UK Government's fiscal consolidation strategy will bring spending down to more affordable levels but will fall short of ensuring that public service delivery is completely sustainable. For these reasons, continuing reform of public sector service delivery will be required to ensure that spending is sustainable at the same time as managing the increasing demand pressure of the UK's ageing population.
- 3.5 The cost of public sector service delivery has grown over time in line with the desire of governments to drive social change, for instance in respect of standards of Education

and health. However, over the last ten years there have been particularly significant increases in public spending, driven by demand, for instance 45% real terms increase in some elements of social security expenditure, a doubling of health expenditure and an increase of 50% in the cost of providing adult social care.

- 3.6 Exhibit 2 shows that in 1964, the UK Government spent about £13 billion or about £190 billion at today's prices. This was equivalent to 38% of GDP. Fifty years later, it is spending £730 billion which is equivalent to 44% of GDP. Exhibit 2 also shows the relative impact of recent reductions in public sector expenditure as a proportion of expenditure. Whilst the reductions in public sector expenditure have felt significant, it is clear that when these are viewed in the context of total expenditure, they appear to be less material.

Exhibit 2: Deloitte: Fifty years of public sector expenditure growth.



- 3.7 While the deficit has been reducing, debts have been increasing. In the past decade, UK Government debt has trebled to £1.4 trillion. Reducing the public sector net debt as a proportion of GDP by 2015/16 is also part of the UK Government's fiscal targets. Current forecasts suggest that it will miss its targets by one year.
- 3.8 Since the start of fiscal consolidation in 2010/11, the public sector workforce has been adversely impacted. Over the last year, research suggests reductions in staff numbers of the order of 282,000, and of 898,000 since 2010. This position, however, masks an inconsistency in the reductions in public sector headcount that have been experienced across the 4 UK administrations. In England 760,000 staff left public sector employment between 2010 and 2014 compared to 36,000 in Wales, 83,000 in Scotland and 13,000 in Northern Ireland.
- 3.9 Committed frontline staff have been viewed as a key attribute of public service

delivery, however, recent research suggests that the public sector's popularity as a career destination has fallen in recent years. A key factor is that workforce reforms as a consequence of fiscal consolidation indicate that reducing confidence in job security is a key factor. An important part of reforms in service delivery models and approaches will be to ensure that appropriate steps are taken to develop and establish the skill set of those delivering public sector services in the future whilst acknowledging that the nature and design of service delivery roles will need to change.

- 3.10 The next wave of reductions in public service expenditure will be substantially more challenging. It is likely to require many public sector organisations to rethink how they operate. In local government, for instance it is anticipated that services will increasingly focus on services targeted towards people in particular need and move away from those services, they are not legally required to provide.
- 3.11 In Scotland, the profile of spending reductions in the public sector has been two years of deep cuts, followed by four years of milder cuts (current position), followed by projections of three more years of deep cuts. Between 2009/10 and 2014/15, there has been a real terms reduction of -10% in public sector expenditure. By the end of 2018/19, it is forecast that this position will be closer to a -20% reduction. It is important to remember that for local government, continuing protection of the NHS budget will result in greater reductions than this position, somewhere closer to -30%.
- 3.12 Pressure continues to be greatest on public sector revenue expenditure and at this stage, there is no obvious source of additional funding for this recurring day to day expenditure. The Scottish Government's Budget announcement is scheduled for the 11 December 2014. A verbal update on the Council's individual settlement sum will be provided at the Council meeting on the 18th December.
- 3.13 The current estimated funding gap is set out in the Tables 1 and 2 below. Table 1 shows the gap assuming 1% pay inflation, Table 2 assumes 1.5% pay inflation. At this stage, pay negotiations are ongoing through the recognised negotiation mechanisms. However, it is clear that the level of award potentially poses a significant challenge for councils in budget planning and preparation. Overall, the cumulative funding gap facing the Council remains significant at around £22M to the end of 2017/18. This equates to an annual gap of between £8.8M and £9.2M for 2015/16.
- 3.14 Key assumptions included within these scenarios remain as advised in the last update report to Council:
- demand pressures of £1.5m per annum, reflecting the level of demand pressures approved in respect of the 2014/15 Budget and the level of draft Demand pressure bids received to date.
 - budget growth of £1.5m in respect of Social Services in line with the current projected outturn for the Service.
 - removal of Adult Change Fund Budget of £600k.
 - removal of Welfare reform Budget of £746k.

Table 1: Indicative funding budget Gap based on 1% pay inflation

	2015/16	2016/17	2017/18
	£000	£000	£000
Net expenditure	122,924	128,409	132,847
Net Funding	114,098	112,962	111,388
Cumulative indicative Funding Gap	8,826	15,447	21,459
Indicative Annual Gap	8,826	6,621	6,011

Table 2: Indicative funding budget Gap based on 1.5% pay inflation

	2015/16	2016/17	2017/18
	£000	£000	£000
Net expenditure	123,306	128,800	133,238
Net Funding	114,098	112,962	111,388
Cumulative indicative Funding Gap	9,208	15,838	21,850
Indicative Annual Gap	9,208	6,630	6,011

4.0 Alternative Council Operating Model

- 4.1 Details of progress with the Council's ongoing budget challenge process is provided in the next section of this report, along with proposed officer savings. It is, however, clear that the funding gap which the Council faces cannot be met from a programme of discrete savings and efficiencies; rather, for it to be financially sustainable the Council will require to realign its operating model. This position is also consistent with external commentaries and proposed approaches summarised in section 3 of this report as well as previous Budget Strategy Update reports to Council.
- 4.2 Senior management have been progressing work in this regard under the *Making Clackmannanshire Better* programme of work and proposals are now being refined for consideration of Council alongside more traditional budget savings. What is clear from this work is that there is a need for the Council to clearly define and articulate its core business for the future. It is intended that this vision will be a key influence and building block in setting the coming and future year's budgets.
- 4.3 Based on the MCB work completed to date, it is proposed that a financially sustainable alternative operating model for the future would have the following characteristics:
- a) a starting point of the Council's available budget rather than what it currently spends or traditionally has spent;
 - b) statutory service provision prioritised within that available budget
 - c) maximisation of efficiency, and productivity from within the available budget and a move away from focusing on the 'funding gap'

- d) statutory services provided efficiently and to the levels and/or standards prescribed
- e) if non-statutory services were provided or supported by the Council, they would only those which contributed directly to the following prevention and early intervention agendas:
 - giving young people the best start in life and supporting vulnerable families
 - improving employment opportunities for 16-25 year olds
 - supporting people to remain healthier and fitter for longer
 - reducing dependency on public sector services.
- f) where there was less, or no, capacity for the Council to provide services, the Council would facilitate as far as possible engagement of the community and third sector.

4.4 Some likely implications of this operating model are:

- a) the Council would require to stop providing some non-statutory services
- b) the Council would require to reduce standards of statutory services where these were above the prescribed level or the national average
- c) the Council would require to introduce, or increase, charges for some services and/or stop subsidies for some services
- d) there would be a presumption of full cost recovery when charging for services
- d) the Council would require to stop funding to other organisations
- e) the Council would require to operate different service models.
- f) some specialist professional services would be procured as needed rather than provided directly by the Council.

4.5 To implement the model and for it be sustainable going forward:

- a) the Council would have to reduce the number of people it employs, this being done in a structured way through effective workforce planning
- b) where appropriate, roles in the Council would have to be more generic to provide more integrated services
- c) there would be a need to continue to invest in staff skills development through effective workforce planning.
- d) the Council would have to make more efficient and flexible use of fixed assets which are required for statutory service provision (i.e. schools)
- e) the Council would have to consolidate the number of service centres it operates
- f) the Council would provide some services only on-line, digitally or through third parties.

- 4.6 Ultimately, the revised Council operating model would seek to maximise integrated and accessible delivery of statutory services and enable discretionary services to be provided by the third sector.
- 4.7 Last year as part of the budget consultation process, the public indicated a desire to see more joined up services with better use of buildings, including schools, to deliver a range of community services beyond education. This is consistent with the proposals which the Council's Education, Sport & Leisure Committee has considered to date in respect of the review of school estate.
- 4.8 Part of the vision for the estate going forward is that schools would be *"far more than just 'educational establishments,' [places] where quality of environment supports an accessible range of services and opportunities which enrich the communities they serve and the lives of learners and families."* (ref report to Committee of 19 June, 2014). As part of the ongoing review of school estate, proposals for new schools would, therefore, also include options for community use. In addition, where there is capacity in existing schools, options would be explored for enhanced community use.
- 4.9 As such, a potential realigned model of Council delivered services could be as set out below:

POTENTIAL ALTERNATIVE COUNCIL MODEL

Council headquarters at Kilncraigs - delivery of centralised services

2 Area Service Points - 1) Speirs Centre in Alloa 2) Ben Cleuch Centre in Tillicoultry - delivery of library, public computers, payments, booking and information services

approx 15 Community Campuses and Hubs - based around our three secondary schools and primary schools - delivery, which may vary depending on requirements, of leisure, community meeting space, advice and guidance services, including 3rd sector service provision.

For services not provided via these points, those would be provided

- in a mobile/outreach way
- online or digitally
- via other providers

Where existing discretionary services were no longer be provided by the council, the Council would provide signposting, explaining to customers and clients where they can now find these services.

The Council would also intend to help Clackmannanshire Third Sector Interface (CTS*i*) become to lead co-ordinator of third sector provision within Clackmannanshire.

- 4.10 Many of the officer proposals for savings in 2015-16 represent transitional actions towards such a new model of operation. There are also emerging some proposals which, while not achieving savings in 2015-16 because of lengthy lead in periods, will require early policy decisions so that savings can be achieved in 2016-17 and beyond.

- 4.11 The last budget update report to Council in October provided elected members with information on some of the work of the cross-cutting groups which had been set up as part of the budget process to integrate into the *Making Clackmannanshire Better* programme. An overview summary of progress in these is attached as Appendix A to this report. This ongoing work is incorporated within the *Making Clackmannanshire Better* programme and the outputs of these cross cutting groups will be key to the development of the alternative service delivery model for the future.
- 4.12 As these corporate and cross cutting groups embed, it is intended that the individual projects within each workstream will be refreshed and renewed, creating the full programme of change projects required to deliver the agreed service delivery model over a number of years. In turn this will allow future year's budgets to map out the pattern of investment and savings required over a number of years. This is a positive and decisive move towards longer term financial planning, continuing the work started in recent years.
- 4.13 In order to be financially viable in the future, the Council will have to reduce its employee costs and the number of people it employs. To date, considerable efforts have been made to achieve reductions in staff numbers through voluntary severance and natural wastage though on balance whilst voluntary severance is viewed as preferable to compulsory redundancy, it is not generally as cost-effective or affordable.
- 4.14 Throughout this year staff have been asked to intimate interest in taking voluntary severance and following the most recent round a further 18 staff will be leaving the Council on that basis. This is a small number relative to those who expressed an interest and the reasons for some applications not being agreed at this time have been that the financial case does not stack up because:
- a) the post held by the individual is required and would need to be filled;
 - b) the severance package is too expensive, with savings not being achieved within two years.
- 4.15 Voluntary severance, while one tool to reduce employee costs, in isolation is not going to allow the level of reduction in headcount which would potentially be required to close the funding gap.
- 4.16 Similarly, the non-filling of vacancies, while it can make a contribution, in isolation will not allow the required reduction in headcount. This is because vacancies occur randomly and most often do not reconcile with those areas where there might be an ability or desire to reduce the establishment. Vacancies also frequently occur in service areas where the establishment cannot be reduced because of statutory requirements (e.g. teacher numbers, ratios in care provision).
- 4.17 For tools such as voluntary severance and vacancy freezes to be most effective, therefore, there requires to be a strategic framework which sets out what the Council's service requirements and priorities are so that effective targeting can be undertaken. This means that the Council needs to agree and prioritise which services it must and wishes to support.
- 4.18 Even where there is a strategic framework, voluntary severance and non-filling of vacancies would not be sufficient. Accordingly, Council is asked to agree that statutory

compulsory redundancy provisions may also be utilised to reduce the Council's establishment.

5.0 Budget Challenge Process - Update

5.1 Since October, the Budget Challenge process has progressed broadly in line with the timetable previously reported. In summary:

- Round Table Session 1 discussions have been completed for all services and the aggregated output has previously been shared with elected members and trade union representatives
- Round Table 2 discussions (Cross cutting Groups) have taken place and a summary of these is attached at Appendix A; this information was also shared with elected members and trade union representatives at briefings in December
- demand pressure bids have been reviewed and assessed by the Executive Team; these are currently within the £1.5m total assumed in the funding gap estimates set out in the tables above
- officers have developed a programme of proposed initial savings for 2015-16 amounting to £4.9m. Significant further verification work is required to be undertaken in respect of these proposals. However, draft proposals have been shared with elected members and Trade Union representatives whilst this work is ongoing.
- work to verify savings proposals and to find additional savings continues between services and the service accountants.

5.2 Round Table 3 sessions will be held in January 2015 and will focus on the work of the cross cutting groups and the development of the alternative operating model.

5.3 The following table summarises the potential financial value of officer proposals to date for savings in 2015-16 by individual services.

	Year 1 2015-16 £	Year 2 2016-17 £	Year 3 2017-18 £	Year 4 2018-19 £	Year 5 2019-20	Total Saving
Education	673,700	429,257	215,250	56,250	0	1,374,457
Social Services	40,000	558,000	0	0	0	598,000
Resources & Governance Strategy & Customer Services	474,160	384,310	298,000	55,000	5,000	1,216,470
Development & Environment	524,260	195,050	0	0	0	719,310
Housing & Community Safety	1,328,233	354,977	458,292	0	0	2,141,502
Corporate/ Cross Cutting	755,109	0	0	0	0	755,109
	1,200,000	0	0	0	0	1,200,000
	<u>4,995,461</u>	<u>1,921,594</u>	<u>971,542</u>	<u>111,250</u>	<u>5,000</u>	<u>8,004,848</u>
HRA	<u>279,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>279,000</u>

5.4 These proposals include a mixture of the following:

- stopping delivery of some services
- reducing the level of service provision
- changing the way some services are provided
- introducing or increasing charges for some services

and also assume the reduction of a number of full time equivalent posts. Appendix B which is the Draft Public Consultation document includes illustrations of savings proposals categorised by Stop, Reduce, Change and Charge. Whilst this schedule is not exhaustive, it demonstrates the review of all council service delivery which has been undertaken.

5.5 Officers are continuing to work on these proposals to refine them and also to identify any further savings which might be put to Council for consideration early next year. It is the case, however, that without the sort of change in Council operating model already outlined in this report, sufficient savings will not be found to produce balanced budgets for 2015/16 or subsequent years. As members will see from the table above and the detailed officer proposals, there are fewer and fewer plain efficiency options available as much resource has already been stripped out in previous budget rounds.

6.0 Community Engagement & Consultation

6.1 Community engagement and consultation on the matters covered in this report are vital in order to ensure an understanding of the context the Council operates in, the challenges it faces and to allow budget decisions to be informed by community feedback.

6.2 The general themes of this report were highlighted as part of last year's consultation process and certain messages came back including that people wanted to see better, more joined up services, more effective use of buildings and easier access to services.

6.3 The proposed alternative council delivery model set out in this report would meet those ambitions though it would also mean the Council would provide fewer services to fewer people and provide those services in different ways. It is important, therefore, in light of the wider financial context that key stakeholders are engaged in discussion about the requirement for a different model and its implications for them.

6.4 In terms of the illustrative officer savings proposals, it is unlikely many of these will be generally welcomed, particularly when considered in isolation from the broader context. If elected members accept the analysis set out in this and previous reports on budget, tough decisions will be necessary and there is a degree to which the Council has limited choices if it is to be financially sustainable. It is proposed, therefore, that the emphasis in terms of public consultation and engagement on the current proposals is more on mitigating the impact of savings rather than simply seeking views on how welcome or otherwise the potential savings proposals might be.

6.5 As with previous years, it is proposed that engagement and consultation is undertaken in a range of different ways, including online consultation and face to face meetings with community groups and key stakeholders. (A draft consultation document is attached at Appendix B which members are invited to approve and an outline schedule of face to face meetings is set out at Appendix C.)

- 6.6 It is proposed formal consultation will commence following the Council meeting on 18 December 2014 and will run until 9 February 2015.
- 6.7 Ongoing discussions with trade union representatives have taken place throughout the year and a full briefing on the contents of this paper was held with trade union representatives on 11 December. At this stage, trade union representatives have indicated that they 'would not be discussing Ts and Cs until greater clarity has been provided on the services which will cease to be provided'. Management will continue to engage with trade unions between now and the Council's budget meeting next year. Briefing sessions for staff more widely are currently in the process of being scheduled and developed. These are likely to take place in January 2015.

7.0 Conclusions

- 7.1 The Financial outlook remains as previously reported to Council with three years of significant deep reductions in funding likely.
- 7.2 The funding gap facing the Council in the coming years remains significant at approximately £22million to the end of March 2018, and as has been reported to Council at successive meetings since the 2014-15 budget was agreed.
- 7.3 The Council does not have the capacity to achieve a balanced budget in 2015-16 and beyond without making significant changes to how it operates.
- 7.4 In order to be a viable organisation going forward, the Council faces a number of tough decisions about service provision and its core business.

8.0 Resource Implications

8.1. Financial Details

- 8.2. Finance have been consulted and have agreed the financial implications as set out in the report. **Yes**

8.3. Staffing

This paper proposes agreeing that compulsory redundancy can be used as a means of reducing staff numbers in order to achieve a balanced budget.

90 Exempt Reports

91. Is this report exempt? **No**

9.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) Our Priorities

The Council is effective, efficient and recognised for excellence

(2) Council Policies (Please detail)

10.0 Equalities Impact

10.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Stage 1 EQIA analyses have identified that there are potential equalities impacts arising from a range of officer proposals. The consultation and engagement arrangements outlined at 6.2 therefore, will include consultation with protected characteristics to better understand how these impacts may be mitigated

11.0 Legality

11.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

12.0 Appendices

12.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A - Summary of Work of Cross-Cutting Work Groups

Appendix B - Draft Public Consultation Document including Officer Proposals for Savings Categorised by Stop, Reduce, Change, Charge

Appendix C - Schedule of Budget Meetings

13.0 Background Papers

13.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

The State of the State 2014/15: Government's Inflection Point
Monthly Bulletins (October, November and December 2014)

Deloitte
Fiscal Affairs Scotland

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APPENDIX A OVERVIEW OF CROSS CUTTING GROUPS

Lead	Project	Stage of Project Life Cycle					
		Initiation				Design	Delivery
		Proposal	Draft Business Case	Consult	Final Business case	Plan	Implement
Head of Strategy & Customer Services	TOM 1 Integrated Universal Transactional Services	Complete	Complete	In progress	In progress		
Head of Education	TOM 2 Integrated Universal Community-based Facilities & Services	Initiated	In progress	In progress			
Head of Social Services	TOM 3 Integrated Preventative & Early Intervention Services for Vulnerable People and Families	Initiated	In progress	In progress			
	TOM 5 Centralised Specialist Services	Programme in progress for Health & Social Care Integration and Complete Reshaping Care for Older People					
Head of Development & Environment	TOM 4 Universal Community Services	Complete	Complete	In progress	In progress		
Head of Housing & Community Safety	Underpins TOMs 1-5 Advice & Guidance Provision	In progress	In progress	In progress			
Head of Resources & Governance	Underpins all work Workforce Planning & Enabling	In progress	In progress	In progress			



Budget 2015/16 Consultation

Better Services

Better Opportunities

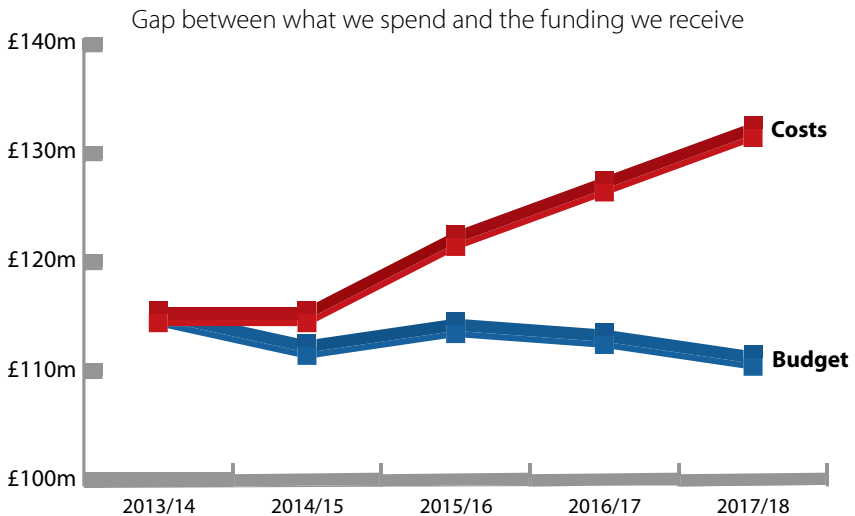
Better Communities

Making Clackmannanshire Better

Introduction

Public service delivery in Clackmannanshire continues to change significantly. The Council is required by law to provide certain services like social work, education, planning and environmental health. It also provides or subsidises a wide range of other services such as buses, CCTV, community safety, countryside and heritage management and business development.

In the past few years, the Council's budget has been under extreme pressure and this pressure is going to continue for some years. It is estimated that over the next three years, the Council will have to close a funding gap of around £20M which means that the Council's current expenditure is substantially more than it will be able to afford.



At the same time there are increasing pressures resulting from a sharp increase in demand for many of the services we provide. In particular, the demands for services to support our ageing population are significant. A broader anticipated population increase will see the need for new or remodelled schools.

The Council is, therefore, facing some very tough choices to remain financially viable.

In the past few years we've tried to ensure, through extensive public consultation exercises, that the hundreds of people who use our services every day are aware of the changes ahead.

In last year's consultation we clearly set out our choices, which were:

- STOP** some or all of the services that we are not required by law to deliver
- REDUCE** service delivery to the national average standard; prioritise services for those most in need
- CHARGE** introduce charges to help pay for some services or stop subsidies for other services based on a presumption of full cost recovery
- CHANGE** look at different service models, which will see the way some services are delivered change significantly.

These remain our choices. However, whilst to date we have managed substantial reductions in the cost of Council services in ways that have generally minimised the impact on communities, the scale of the savings required means that this is no longer possible.

To maintain statutory services, including services that protect and support our most vulnerable residents, we need to make substantial savings in those services we are not required to deliver by law, including highly valued services that communities have become accustomed to.

For those services which we continue to deliver we need to make sure we deliver those to any prescribed standards and in ways which are affordable. Also in terms of affordability we cannot sustain subsidising some valued but discretionary services.

Given the financial context, the Council needs to fundamentally change how it operates in order to live within its means. The future model of operation will likely see a Council that has fewer staff operating from fewer facilities, providing fewer direct services but in much more integrated and cost-effective ways.

This consultation document provides some information of the developing operational model for the Council going forward and seeks your views on that.

In addition, the document shares some officer proposals for budget savings in 2015-16. Although these represent reductions and changes in services, the savings from these proposals still do not meet the funding gap so the Council still needs to find ways of reducing its costs. That is why a shift in how the Council operates is required in the coming years.

We know that the savings proposals will not be popular but there are limited choices available to the Council. So, as we increasingly focus on our core business of statutory services, we will continue to use your feedback to shape how these services can be delivered more effectively. In particular, we are keen to hear from you if there are alternatives to the proposals that the Council should consider and how any negative impacts of the savings might be reduced or eliminated.

An Alternative Model for the Council

The Council needs to live within the budget which is available to it - it cannot continue to spend what it currently spends.

Statutory services will have to be prioritised within that available budget and those services will have to be provided efficiently and to the levels and/or standards prescribed (which may be of a lesser standard than current provision).

The only discretionary services provided or supported by the Council will be those which contribute directly to the following prevention and early intervention agendas:

- giving young people the best start in life and supporting vulnerable families
- improving employment opportunities for 16-25 year olds
- supporting people to remain healthier and fitter for longer
- reducing dependency on public sector services.

Where the Council has to stop providing services, it will try and empower community and third sector involvement to maintain some support where there is demand for this.

In previous consultations, you've told us that you'd like to see more joined up services with better use of buildings, including using school buildings, to deliver a range of community services beyond education. You also want easier access to services, and for us to make greater use of online services, more flexible and mobile service delivery models.

Taking your views within the financial context, our new operating model would make more efficient and flexible use of schools and other fixed assets which are required for statutory service provision. In this model, we would consolidate the number of separate service centres we operate but use schools more effectively as community hubs.

For instance rather than have standalone local offices in a number of communities (the current Community Access Points), there would be two main service centres (the Speirs Centre, Alloa and the Ben Cleuch Centre, Tillicoultry) with secondary and primary schools over time providing a base for the delivery of certain other services.

The pupil population in Clackmannanshire is increasing and many of our primary schools are, or will be, in need of development to respond to changing demographics. There will be opportunities, therefore, in future for schools to be more than just educational establishments and places where there is an accessible range of services and opportunities. As part of the ongoing review of school estate,

proposals for new schools will, therefore, also include options for community use and where there is capacity in existing schools, options will be explored for enhanced community use.

Some services may not be provided via these campuses or service points. Instead those services might be delivered:

- From a central point like Kilncraigs
- In a mobile/outreach way
- Online/digitally
- Via other providers such as the third sector

While many discretionary services will no longer be directly provided by the council, as part of integrated service provision we would enable easy access and signposting to a range of community services.

With our communities and third sector potentially playing a more prominent role in community services, there will be a crucial role for Clackmannanshire Third Sector Interface (CTSI) in facilitating and co-ordinating integrated third sector provision.

Unfortunately, given the budget gap, the Council will need to reduce the number of people it employs. In addition, many of those who do work for the Council will need to be able to play broader roles to provide customers with a more integrated experience. To allow us to deliver services in these ways, it is important that we work with our staff to ensure they are equipped with the right skills. Work continues within the council to look at the numbers of staff we will need in the future and the design of new roles and ways of working.



Officer Proposals for Savings 2015-16

A significant change in the Council's operating model will take time, so programmes of savings are still required.

Council officers work continuously to try and find greater efficiencies across the organisation and to identify potential areas for savings.

The following illustrative officer proposals will be considered by Council in the coming months. While some of these don't generate savings in the first 12 months, they would generate savings in future years.

The proposals include a mixture of the following:

- stopping delivery of some services
- reducing the level of service provision
- changing the way some services are provided
- introducing or increasing charges for some services.

Work continues to develop a full schedule of officer proposals. In addition to these illustrative proposals, there are also a range of internal management and efficiency savings proposals.



Proposal	Potential Savings in next 4 years			
	15-16	16-17	17-18	18-19
STOP				
funding for Football Festival and for school sports associations	£5,950			
provision of swimming lessons for P4 and P5	£8,366	£5,019		
subsidising free swimming in summer holidays	£31,000			
funding to Central Scotland Partnership (teacher CPD)	£5,000			
repairing headstones not owned by Council	£7,500			
supply of free dog waste bags	£7,000			
twinning activity	£3,500			
provision of extra staff which a small number of schools have (home-school liaison officers, care assistants)	£94,150	£56,490		
financial support for Shopmobility at Sterling Mills	£7,333			
Clackmannanshire Business and tourism	£44,000			
all supported bus services	£268,942			
subsidy of taxicards	£9,778			
dog training classes	£1,200			
cease funding to some voluntary groups	£28,000			
close public toilets at Maple Court and superloos	£40,000			
funding CCTV	£140,000			
funding two police officers & community safety analyst	£99,000			
providing community warden service	£187,140			
Supported Owners' Service	£75,000			
cease maintaining non-Council owned land	£100,000			

Proposal	Potential Savings in next 4 years			
	15-16	16-17	17-18	18-19
REDUCE				
entitlement to free school transport to the statutory required levels			£93,750	£56,250
provision of heritage service		£38,180		
Community Access Point services (in Alva, Clackmannan, Sauchie and Tullibody) and remove CAP services from Dumyat Centre and Dollar Civic Centre	£170,600	£56,870		
book budget in line with reducing CAP services	£10,000	£5,000		
the number of play areas (reduced maintenance)			£15,000	
frequency of grounds maintenance (grass-cutting etc)	£7,500	£7,500	£7,500	
frequency of litter tidying to national standards	£20,000			
extent of countryside ranger service through non-filling of vacancy	£38,025			
budget to prepare and implement Local Biodiversity Action Plan	£3,290			
spend on traffic signs	£8,500			
Environmental Health sampling budget	£5,000			
subsidy to Dial-a-Journey	£9,100			

Proposal	Potential Savings in next 4 years			
	15-16	16-17	17-18	18-19
CHANGE				
animal welfare and pest control service	£23,000			
service delivery model for sustainability and ranger services	£25,000	£25,000		
instrumental music tuition		£4,000		
provide some speech and language therapy in-house rather than contract out	£30,000			

shared management for expressive arts	£40,537			
increase shared working across Clacks & Stirling in Youth Services	£26,597			
reshape senior phase (S4-S6) schooling to enable more efficient timetable model		£202,500	£121,500	
the model for providing access to nursery teachers	£216,430	£129,858		
the hours of school crossing patrollers to match the needs of schools	£44,000			
school cleaning arrangements through redesign	£20,000			
make more use of digital communications	£5,000	£5,000	£5,000	£5,000
move to a 3 weekly bin collection	£65,000	£15,000		
provider of stray dog kennelling and recover costs from owners		£8,000		

Proposal	Potential Savings in next 4 years			
	15-16	16-17	17-18	18-19
CHARGE				
for nursery sessions over and above 600 hours	£5,000			
for external placements in Secondary School Support service	£25,000	£15,000		
increase burial charges to align with other authorities	£20,000			
for second garden bin	£5,000			
increase charge for bulky uplift	£4,000			
increase licensing fees	£5,500	£6,500	£7,000	
for on-street parking (Alloa)		£117,360		
for off-street parking (Alloa)		£289,000		

Feedback

Despite the financial challenges it faces, the Council still wishes to deliver positive outcomes for Clackmannanshire and make a positive difference to people's lives. While times are undoubtedly tough, the Council has a plan for changing how it operates to ensure that it remains focussed on its key priorities and that resources are targeted where they are most needed.

To inform decisions that councillors will be taking next year, it is important that we get your feedback, both on the alternative model of operation for the Council and the specific proposals for savings in the coming year. We know that the majority of the proposed savings will not be welcomed and that certain individuals and interests will be impacted upon; however, we have to find savings, so our focus will be on reducing the impact of reductions in service and looking for alternative savings options.

The opportunity for your feedback and input will run from 18th December 2014 to 9th February 2015 and your responses will be shared with all councillors in advance of setting the 2015/16 budget.

You can:

- go online to **ClacksWeb** and complete our online survey. (If you don't have access to the internet, go into **your local Council office** where our staff will assist you.)
- get involved by sharing your views with your **local councillor** or **community council**
- email any comments you may have to **mcb@clacks.gov.uk** or write to us at Making Clackmannanshire Better, Clackmannanshire Council, Kilncraigs, Greenside Street, Alloa, FK10 1EB

We are particularly keen to hear your views on the alternative operating model and how that might be implemented or improved and also how specific savings proposals might impact on you and what might be done to reduce any negative impact.



**Clackmannanshire
Council**

www.clacksweb.org.uk

BUDGET 2015/16 - STAKEHOLDER CONSULTATION PROGRAMME**OVERVIEW**

Our approach aims to build on our consultation engagement in previous years. Our vision for the medium to long term and more immediate proposals for the coming year's budget have been shaped by feedback on priorities from communities and stakeholders in previous years. Given the breadth and complexity of Council services, we do not believe that we can consider any one year in isolation: change on the scale required cannot be achieved in one year - it is a long term effort, requiring a long term vision and ongoing commitment to achieving better outcomes, despite the considerable budgetary challenges we face.

Our formal consultation will commence following the Council's scheduled meeting on 18 December 2014 and will run until 9 February 2015.

The consultation will use various feedback mechanisms including via our online consultation tool, Citizen Space, e-mail to mcb@clacks.gov.uk and a range of face to face forums.

We want to ensure as many people as possible are aware of the challenges we face, and the choices proposed, both in terms of our longer term vision, and, within that broader context, proposals put forward by officers for 2015/16. Therefore, in addition to publicity encouraging stakeholders to participate in the consultation, councillors from the Administration will attend a number of meetings during the consultation process to raise awareness.

The feedback from the consultation will help inform the final recommendations, upon which councillors will ultimately decide at the budget meeting in late February 2015.

DRAFT SCHEDULE: DECEMBER to FEBRUARY

Date	Time	Location	Stakeholder	Contact/Lead	Comments
			Community Councils	Lesley Baillie	Seek written response on impact for each community and suggestions for mitigation or amendment. Ask community councils to advertise and encourage their communities to complete the online consultation.
Tbc Jan 15	tbc	tbc	Tenants & Residents Federations	Michelle Flynn Leader	Seek a special meeting in January led by Leader. Encourage members to respond online to consultation. Ask TRFS to advertise and encourage residents to complete the online consultation.
Tbc Jan 15	tbc	tbc	Joint Parent Council	Lesley Baillie Education Convenor	Seek a special meeting in January led by Education Convenor. Encourage members to respond online to consultation.
Tbc Jan 15	tbc	tbc	Older Peoples Forum	Lesley Baillie Leader	Seek a special meeting in January led by Leader. Encourage members to respond online to consultation.
Tbc Jan 15	tbc	tbc	Young People	Mary Fox Education Convenor	Seek a special meeting in January led by Education Convenor. Encourage members to respond online to consultation.
Tbc - Jan 15	tbc	tbc	Third Sector Forum	Lesley Baillie Depute Leader	Seek a special meeting in January or February led by Depute Leader. Encourage members to complete online consultation.
5/12/14	AM	FV College	Alliance Partners	Gillian Taylor Leader	Presentation on challenges and choices at the Alliance. Encourage members to complete online consultation.

Jan 15	tbc	tbc	Clacks Business	Julie Hamilton Enterprise & Environment Convenor	Seek special meeting led by Convenor. Encourage members to complete online consultation.
Jan 15	n/a	n/a	General Community	Officer led	Run a number of facilitated representative focus groups using Clacks 1000 members on key questions in budget booklet.
Jan 15	n/a	n/a	Protected Characteristics	Officer led	Based on EQIA - Stage 1 - run a number of facilitated representative focus groups to seek feedback on potential impacts or mitigations based on vision and officer proposals. May also include written and online responses.

