

# North Tyneside Council Report to Cabinet Date: 10 September 2012

## ITEM 7(a)

Title: Change, Efficiency  
and Improvement  
Programme : Progress

<b>Portfolio(s):</b> Elected Mayor Finance	<b>Cabinet Member(s):</b> Mrs Linda Arkley Councillor Judith Wallace
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**Report from Directorate:** Chief Executive's Office  
Finance and Resources

**Report Author:** Graham Haywood      **Tel:** 0191 643 2000

**Wards affected:** All

### **PART 1**

#### **1.1 Purpose:**

The purpose of this report is to provide Cabinet with a progress update on the Change, Efficiency and Improvement (CEI) Programme.

#### **1.2 Recommendation(s):**

Cabinet is asked to note the progress to date with the CEI Programme.

#### **1.3 Forward plan:**

The report appears in the current Forward Plan for the period 1 September – 31 December 2012

#### **1.4 Council plan and policy framework:**

The report relates to the Budget 2012/13 and the Council Strategic Plan for 2012/15.

#### **1.5 Information:**

- 1.5.1** This report provides Cabinet with an overview of progress across all three themes of the CEI programme for the period 2012/13 to 2014/15. Progress on the CEI projects that are included in the 2012/13 budget are monitored via the in-year budget monitoring process. The latest position for all of the CEI projects is attached at Appendix 1, and is summarised in Table 1 below.

**Table 1: Summary of plans in place**

	2012/13 £m	2013/14 £m	2014/15 £m
A1: Children Education and Skills	3.051	0.784	0.721
A2: Adult Social Care	<u>6.384</u>	<u>1.156</u>	<u>1.021</u>
Theme A sub-total	9.435	1.940	1.742
Theme B sub-total	4.719	2.965	1.803
Theme C sub-total	1.648	1.377	1.179
<b>Total CEI plans in place</b>	<b>15.801</b>	<b>6.282</b>	<b>4.724</b>

In the first year of the programme 2011/12, the savings target was £16.194 million and this target was delivered in the main. Whilst not all of the savings were achieved in the way the budget had planned, there were compensating savings which meant that the Council ended the year with a small underspend on its general fund revenue budget.

The key areas of progress made across each of the three themes in the CEI programme in the first year (2011/12) are set out below.

**Theme A** covers Children, Education and Adult Services as well as the transfer of public health services as local authorities take over responsibility for some of these services as part of the changes to the health service. This theme is about enabling better and more efficient access to education, employability, social care, health and well being services through new ways of working and supporting independence through increased prevention activity.

- Children and Education Services: Delivered savings of £2.983m
- Adult Social Care: Delivered savings of £3.691m

**Theme B** is about introducing new ways to deliver a range of services through partnerships with public, private or voluntary/community sector providers, reducing central overheads and support costs as well as improving the effectiveness of our workforce and customer services. During the 2011/12 financial year, this theme was preparing the ground for major 2012/13 projects around partnerships and alternative methods of service delivery. Nevertheless, through extensive restructuring of central services, Customer & Cultural Services, and changes to fees and charges within sport and leisure, it delivered savings in the region of £6.400m.

**Theme C** is about introducing new ways to deliver environmental services and reducing costs on energy and transport as well as reducing carbon emissions. During the 2011/12 financial year, this theme delivered:

- A reduction in waste of just over 2,000 tonnes;
- A reduction in electricity consumption of 6%;
- A reduction in Gas consumption of 16%;
- A reduction in vehicle fleet size of 20%;
- The largest local authority Solar PV installation project of its kind in the country, with 1500 arrays fitted to North Tyneside Homes;
- Total savings across the theme of £1.466m.

**1.5.2** As summarised in Table 1 above, there are currently plans in place to deliver savings of £15.801m in the current financial year. An overview of the key areas of work to deliver against this target for each of the themes is set out below.

**Theme A** is accountable for £9.435m of the overall CEI plans for 2012/13. Plans are in place for a mix of projects to deliver these targets. They are detailed in Appendix 1 but are largely grouped around Service Redesign; Procurement/Contract Reviews; Restructuring; and income generation

- Children, Education & Skills: key projects include a comprehensive review and redesign for Early Years services, with an emphasis on prevention and early intervention; Establishment of an Integrated Disability Service; Redesign of provision of employability & enterprise services for 14-25 year olds. These are ongoing and will run throughout the lifecycle of the CEI Programme. Projects already complete and delivering savings include a senior management restructure; a comprehensive procurement review; and removal of non-statutory school spend from the General Fund (with support to establish alternatives). These will deliver £3.051m
- Adult Social Care: key projects include a comprehensive programme of business process re-engineering; a comprehensive modernisation of Supporting People Services (including a review of Crisis Response Services); Service Reviews; Roll out of the Reablement model across a number of services, aimed at enabling people to remain at home. Projects already complete and delivering savings include a new operating model; Intermediate Care rationalisation, which included the closure of Dorset House, with additional provision at The Cedars and externally provided respite care. These will deliver £6.384m

**Theme B** is forecasting the delivery of £4.719m of savings during 2012/13. The two principal areas of delivery are the Business and Technical services packages - along with the associated corporate core and retained client changes that will facilitate the new model of service delivery. A tremendous amount of work is also being done, however, within the Customer & Cultural Service review project which, during this financial year, will achieve savings including

- Restructuring the Play and Urban Games Team and remodelling play provision
- Alternative management at Shiremoor and Howdon Community Centres
- Introduction of new permit parking at Quadrant offices
- Alternative management options for Rising Sun Country Park café

**Theme C** is due to deliver £1.648m of savings during the 2012/13 financial year. Work is continuing on the large number of initiatives begun in 2011/12, and is also now focusing on new ideas and options for the coming year, all aimed at reducing waste and energy useage, via:

- Recycling contract negotiation and reprocurement;
- Waste minimisation;
- More efficient, and controllable, street lighting;
- A new 'Watch Your Step' campaign to reduce mileage and energy useage;

- Carbon budgets, with on-line monitoring, to facilitate real time management of energy useage within our largest buildings;

### **Decision options:**

There are no decision options. Cabinet is asked to note the progress to date with the CEI Programme.

### **1.6 Reasons for recommended option:**

This will enable work to continue to progress with the CEI Programme.

### **1.7 Appendices:**

Appendix 1: CEI Programme theme update.

### **1.8 Contact officers:**

Graham Haywood, Chief Executive tel 0191 643 2000

Jon Ritchie, Head of Finance tel 0191 643 5800

### **1.9 Background information:**

The following background papers and research reports have been used in the compilation of this report and are available at the offices of the author:

Report to North Tyneside Cabinet 12 September 2012 Change, Efficiency and Improvement Programme

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

There are no direct financial implications arising from this report as it is a summary of the plans that are currently in place. The base budget for 2012/13 incorporates the CEI savings agreed when the Budget was set on 1 March 2012 and the achievement of these savings are monitored as part of the bi-monthly Financial Management reports presented to Cabinet.

### **2.2 Legal**

Decision making in relation to the CEI Programme is a matter for Cabinet. Cabinet is however required to take the views of Council into account as a relevant matter in its decision making in relation to the Programme. Legal advice on specific initiatives under the CEI Programme is provided as these develop in the course of the Programme.

### **2.3 Consultation/community engagement**

Theme A took the opportunity afforded by the 2012/13 budget setting consultations to engage with residents. In the case of Adult Social Care projects, this was supplemented by a comprehensive engagement programme throughout January. Children, Education and

Skills project leads also used the Schools' Forum, Headteacher Briefings, Chairs & Link Governor meetings and individual discussion with schools directly affected by projects, to discuss CEI plans.

Within Theme A Alternative models of service delivery were the subject of a number of workshops at the Council's State of the Area Event 2011 on 7 October 2011. The workshops provided an opportunity for the Council's key partners and stakeholders to discuss a range of alternative options for the delivery of public services and how they may or may not work in North Tyneside. Alternative models were also discussed at the Area Forums during September 2011 as part of the Council Strategic Plan and Budget engagement process. As a result of the engagement activities there were a number of proposals which were not progressed by the Council such as the Community Based Trust, the closure of Monkseaton Library and the closure of North Shields Tourist Information Centre at the Royal Quays.

Within Theme C, consultation took place with residents around most of the major projects, at the four Area Forums in September 2011. Community engagement 'roadshows' around the 'Wash, Squash & Recycle' campaign took place in Killingworth (Nov '11); Wallsend (Nov '11); Benton (Nov '11); Whitley Bay (Jan '12); and North Shields (Jan '12). Consultation with Northumbria Police took place in April of this year around street lighting options.

## **2.4 Human rights**

The Council's human rights obligations will be complied with as work progresses on the CEI Programme.

## **2.5 Equalities and diversity**

Full Impact assessments will be completed as required prior to any individual decisions on projects within the CEI Programme.

## **2.6 Risk management**

Individual projects within the CEI Programme are subject to full risk reviews. For larger projects, individual project risk registers are established as part of the Council's agreed approach to project management. Risks will be entered into the appropriate directorate, corporate/ strategic or project risk register(s) and will be subject to ongoing management to reduce the likelihood and impact of each risk.

## **2.7 Crime and disorder**

There are no crime and disorder implications directly arising from this report.

## **2.8 Environment and sustainability**

The CEI Programme refers to a number of items in the Council Strategic Plan which are concerned with environmental and sustainability issues.

### PART 3 - SIGN OFF

- Mayor/Cabinet Member(s)  X
- Chief Finance Officer  X
- Monitoring Officer  X
- Strategic Manager for Policy and Partnerships  X
- Chief Executive  X

**Report author** Graham Haywood