

Meeting: Overview and Scrutiny Committee

Date: 2 July 2012

Title: Change, Efficiency and Improvement Programme:
Progress Update Report

Author: Graham Haywood Tel: 0191 643 2001
Service: Policy and Partnerships
Directorate: Strategic Services
Wards affected: All

1. Purpose of Report

This report provides the Committee with the monthly overview of progress across all three themes of the Change, Efficiency and Improvement (CEI) programme.

The aim of the report is to update the Committee with the latest position on progress within the projects, within each of the themes, which have been established to deliver the budget savings required across a four year period (2011-2015), with a focus on the project plans for years 2 to 4 of the programme (being 2012-13 to 2014-15). There is an associated budget business case for each.

This report also sets out the CEI target, based on the budget agreed by Council on 1st March 2012, for 2012/13, 2013/14 and 2014/15. The plans currently in place are compared against that budget to show the current surplus or deficit against these plans.

The Committee will be aware that Finance Sub-Committee will continue to review the budget monitoring arrangements of the Council, which will incorporate progress against these targets during the year.

2. Recommendations

The Committee are recommended to consider the information contained in this report.

3. Details

As set out below, the CEI savings target for the four year period 2011-15 is now £43.743m.

CEI Programme	2011/12 (additional £000's)	2012/13 (additional £000's)	2013/14 (additional £000's)	2014/15 (additional £000's)	TOTAL (£000's)
A - Services for People	6,875	9,240	1,941	1,741	19,597
B - Business	7,687	5,077	3,184	1,808	17,756
C - Environment	1,466	1,848	826	560	4,500
Cross Cutting	366	774	750	0	1,890
	16,194	16,739	6,701	4,109	43,743
Plans Currently in Place	16,194	15,846	6,376	4,729	43,145
Surplus / Deficit	0	-893	-325	620	-598

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.

Key progress since last month on this theme is as follows:

- **Children and Education Services:** Some of the income related aspects of this part of the theme are contingent on the finalisation of the council's budget. Work is well underway to establish the new services that will improve our prevention and early intervention activity. By the end of the summer new teams with new management arrangements will have been established to provide a solid base for this work. The service is well placed to make best use of the opportunities provided by the Troubled Families programme. There is a planned development day on 29 June for the Health & Well Being Board on both Early Intervention and Safeguarding Troubled Families. Plans continue to establish an integrated disability service that is seamless for people aged 0-25 and the new service manager will be in place by September.
- **Adult Social Care:** There is progress on all projects and savings are ahead of target in the modernising supporting people project. Significant work has been carried out to re-engineer processes and establish modern management arrangements and savings targets have been met. Some of the proposed changes in Adult Social Care involve a complex chain of re-provision and this is being kept under close review as the projects proceed, to secure service provision. As part of Intermediate Care Rationalisation, Dorset House was closed. This was a carefully managed process that ensured no degradation of service provision.
- **Theme A governance** is being developed to link in with plans for Public Health Transition joint commissioning arrangements with the NHS. This will streamline the number of boards/groups managing this work and ensure that interdependent projects are managed effectively.

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.

Key progress since last month on this theme is as follows:

- Detailed solutions have now been received from the preferred bidders within both the Technical and Business packages. A Stakeholder Day has been held, to allow staff, Members, and partners to talk to the potential future service deliverers, and competitive dialogue is continuing.
- A shared working arrangement with Northumberland county Council has been established for Audit services.
- A structure for the Corporate Core - to deliver retained core functions - has been formulated, and the 30 day consultation period has begun.

Theme C is about introducing new ways to deliver environmental services and reducing costs on energy and transport as well as reducing carbon emissions.

Key progress since last month on this theme includes:

- 2011/12 figures have revealed a reduction in waste of just over 2,000 tonnes, while maintaining our recycling rate at nearly 40% (37.6%).
- Carbon budgets are now established and available on-line for the top 30 sites - in terms of gas, electricity, and water use (54 sites in all) – allowing managers to track real time improvements.
- End of year energy and carbon review figures have revealed:
 - Electricity consumption is down 6%.
 - Gas consumption is down 16%.
 - Fleet diesel consumption is down 5%
 - Vehicle fleet has been reduced by 25%
 - The Council's overall Carbon footprint is down 7% (to 40,176 Tonnes)
- 1,503 solar PV arrays have now been installed on North Tyneside homes.
- Work carried out within the Community Services Leadership Event, and the Theme C Board has resulted in a significant number of new leads and projects, aimed at reducing the Council's carbon footprint and saving money.

Appendix 1 contains an overview of progress per project area within each of the three themes of the programme. The figures suggest there are insufficient plans in place for projects to deliver against the full revised target of £16.739m for the current 2012/13 financial year, with an apparent deficit of £0.893m.

However, the decisions taken by Cabinet when considering the Implementation Plan for the Council Strategic Plan 2012/15 and Budget 2012/13 are not all reflected in the CEI Programme detailed above. For example, the release of the contingency fund to compensate for the 36 hour week proposal is not a CEI item. In order to assess the overall implication, it is necessary to consider the wider financial implications of these decisions.

The June 2012 Cabinet Report (item 7g i) sets out that the financial decisions taken up to and including 14th May 2012. This confirmed that the decisions had generated additional resources of £0.220m. Appendix 2 sets out an analysis of these financial implications.

To show the complete financial position, Appendix 3 reconciles the apparent CEI deficit in 2012/13 of £0.893m (Appendix 1) to the additional resources of £0.220m arising from Implementation Plan decisions (Appendix 2).

4. Appendices

Appendix 1 - CEI progress report

Appendix 2 – Financial implications from Cabinet decisions

Appendix 3 – Reconciliation overview