

# Meeting: Overview, Scrutiny & Policy Development Committee

**Date:** 5 January 2015

**Title:** Budget sub-group report

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**Author:** Budget sub-group

Tel: 0191 643 5318

**Wards:** All

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## 1. Purpose of Report

To inform Overview, Scrutiny & Policy Development Committee of the work undertaken by the budget sub-group to scrutinise the 2015/16 budget proposals.

## 2. Recommendations

The Overview, Scrutiny & Policy Development Committee is recommended to refer the conclusions of the budget sub-group, as set out in the report below, to Cabinet for consideration as part of the 2014/15 budget setting process.

## 3. Background

Invitations were extended to all members of the Overview, Scrutiny & Policy Development Committee and all members of the Liberal Democrat and Conservative groups, to seek volunteers to serve on the budget sub group. The Council's constitution places a duty on the Overview, Scrutiny and Policy Development Committee to examine and contribute to the formulation of the Cabinet's budget and strategic planning proposals.

The following Members served on the group:

Cllr Sandra Graham

Cllr Peter Earley

Cllr Janet Hunter

Cllr John O'Shea

Cllr Judith Wallace

The group met on the 1 December, where the Chief Executive, Heads of Service and Senior Manager presented the 2015/18 Creating a Brighter Future Business Cases. It was decided that following the consideration of each of the cases a short report be produced to reflect the sub-groups views.

## 4. Approach

The sub-group was informed that the budget proposals were designed to meet the challenges for the next 3 years that would result in a 10% reduction in the net budget.

However it was made aware that further pressures could materialise following the hearing of the Governments Autumn statement and the 2015 Parliamentary elections.

The budget would deliver the priorities of the Our North Tyneside Plan and the Creating a Brighter Future change programme. With the underlying principle that the change programme would enable those who are able to do so, to do things for themselves, whilst managing the demand and costs for services. With the focus on delivery of services to the individual as not all services could be provided universally.

This would be realised through working better with partners and redesigning services to customer priorities, with the understanding that investment in technology and improved commissioning of services would be integral to delivering service capability.

## **5. Cared For, Safeguarding and Healthy**

North Tyneside has a strong set of services in this area, however, these services are also those of highest individual impact and highest risk.

Having the right housing offer can ensure that vulnerable young people and adults are helped to develop independent lives. It was understood that the right housing supply across North Tyneside has a massive impact on the lives of all of its residents.

Developing a range of housing options and services that would support short break services, would build on work to support young people to secure sustainable housing and to manage risks of homelessness for adults and young people.

North Tyneside's Health and Social Care Integration Programme is a partnership between North Tyneside Clinical Commissioning Group (CCG), Northumbria Healthcare NHS Foundation Trust, North Tyneside Council and their health and wellbeing partners.

The proposals reflect the agreed strategy to deliver the Government's Better Care Fund and to provide more integrated services using pooled budgets, where they can produce better outcomes for our residents within the funds available.

In addition the proposals supported the delivery of the Creating a Brighter Future Programme theme Cared for, Safeguarding and Healthy and the expectations within the Care Act, which require the Council and its partners to focus on prevention and delaying longer-term care and support needs.

## **6. Ready For School**

The majority of children are ready for school when they enter reception and this was because of the support they receive from within their family.

There was a need however, to create a culture where all families understood how to help themselves and to do the right thing. There was also a need to challenge and support the minority that need it most to assist them to develop their children making them ready to learn and socialise.

It was highlighted that preventative services were needed to identifying those most at risk and to provide appropriate, well-timed early intervention.

To ensure this can be delivered the Council needed to identify values, skills, attitudes and behaviours of staff to deliver services differently and investigate ways to realign services to work more efficiently.

The sub-group scrutinised the businesses cases that would help deliver what was needed to ensure all of our children are ready to learn and have the best chance of success in life.

The ready for school entitlement had been shared with all partners and indicated the stage children should be at, by the time they enter reception class to give them the best opportunity.

## **7. Ready for Work**

The majority of young people and adults do well in education, employment and training with universal support. That provision of high quality and simple information, advice and guidance was key to ensure young people are aware of what is available.

It was also believed that young people should have an understanding and gain experience of the world of work from a young age. This would help them when setting their future aspirations.

It was essential to ensure the most vulnerable have good opportunities to access appropriate training and employment. To deliver this the young persons entitlement was being developed to ensure they will be ready for work and have the skills that employers are seeking.

The Council was exploring ways where support could be provided differently to those young people and adults who have challenging needs to allow them to realise their potential and succeed in employment. This included working with employers to increase their contribution in the raising of the skills levels for those who are particularly disadvantaged.

Working with the community & voluntary sector and providers to maximise the use of grant funding was also being undertaken to be ambitious for our young people.

## **8. Great Place**

In order to maintain and develop the Borough the Council had been working with residents and partners to understand what makes North Tyneside so popular.

That meant thinking about its streets and communities, businesses and employment space, the river and parks, retail opportunities, events, coast and river that bring people both into the Borough and for our residents.

Focusing on what was important to residents, businesses and visitors while thinking carefully about the core offer. There had been continued work undertaken to make North Tyneside more sustainable while reducing its impact on the environment.

The Council was committed to ambitious targets in terms of Carbon Reduction and had fundamentally changed its operations while reducing carbon and costs.

It had reduced its Carbon Footprint by installing new LED lighting and alternative technologies as well as taking a new approach to street lighting. Consequently energy

bills have been managed and the cost to the Council of the Government's Carbon Reduction scheme had reduced. This would continue with its Street Lighting - LED retro fit to traffic routes, providing savings in energy and maintenance element.

More sustainable landscape treatment is being developed, whilst increasing bio-diversity within the borough for our wildlife.

The proposals reviewed under the core offer had 6 key themes which included Arts and Museums, reconfiguring the Business & Enterprise Team, delivering consistent Environmental Maintenance services at a reduced cost, sharing costs within the Community Safety with the partners, review of the council buildings and changes to the programmes at Tynemouth Pool.

## **9. Enabling**

In addition to the Creating a Brighter Future Change programme projects continuing reviews were needed to ensure the operations of the Council are as efficient as possible.

The Council is a significant commercial organisation; its day to day purchasing needs to be competitive as possible and, in line with the agreed principles, the income paid for services reflects the business the Council runs.

The Council with its partner (Cofely) was investing in new technology to improve information accessibility and governance (EDRMS). The technology would be accompanied by significant business process redesign and the products are intended to make those processes less labour intensive. The Council should realise efficiencies over the next 3 years as a result of implementing the system.

A review of the Corporate Management and structures in line with service redesign would also be undertaken. This would see a shrinking of the management of the organisation to reflect reductions in resources and bringing together similar and linked services to ensure consistency and lowest possible cost. It was also proposed that some service areas would be able to remove at least 1 tier from both the frontline and support service structures.

## **10. Pressures**

The group received 4 business cases that explained the number of pressure areas on the budget that included;

- Pay and price increases
- Property pressures
- Transport
- Waste management
- Care home inflation
- Staff Pay Award

## **11. Housing Revenue Account**

The group considered the 5 Business cases within the Housing Revenue Account (HRA) that detailed;

- Rent & Service Charge Income
- Capital Financing and Debt Management
- Service Efficiencies and Improvement

- North Tyneside Living PFI Project
- Contingencies

## **12. Investment Plan**

The group were also guided through each of the items within the investment plan.

## **13. Conclusion**

The group understood that to ensure the Council was in a position to deliver the priorities of its residents/business and the Our North Tyneside Plan, it was critical that it becomes even more commercially focused and business like in these difficult times.

It was provided with comprehensive information and explanation of the rationale for each by the relevant service lead. It agreed that to ensure the public's expectations are met. It was important to be clear to what services can and cannot be provided.

It was also important that the public were made explicitly aware to what alternative services maybe available to them, with clear information of any individual contribution that they may have to make.

It was encouraging that strategies were being investigated to ensure that those most in need were supported by the relevant professionals and others were provided with alternative customer pathways that would enable them to secure the information they need.

The group agreed the Ready for School entitlement was an excellent tool that would identify where children and families need support. It was also believed that the entitlement should be provided to all prospective parents so they are aware of the expectations before the birth of their child. However, it was recognised that the wording needed further assessment to ensure so it was easily understood by all.

It was recognised that there would be savings generated through staff reductions. It was understood that the Council offers a voluntary redundancy scheme and it was hoped that the majority of losses would be realised this way. It was also understood that there were a possibility of transference of some staff as services were redesigned.

The group understood the budget proposals were ambitious and were encouraged that the delivery of this budget would ensure that service delivery would improve for those most in need and further develop cross departmental working. It is a budget to develop greater resilience for those who can do things for themselves within a shrinking public purse.

## **14. Background Information**

The following documents have been used in the compilation of this report and may be inspected at the offices of the author:

Cabinet Report – 2014-18 Financial Planning and Budget Process: Cabinet's Initial Budget Proposals