

CABINET RESPONSE TO COUNCIL OVERVIEW BOARD**REVIEW OF SERVICE BUDGETS 2016/17 (considered by the Council Overview Board on 2 March 2016)****Introduction:**

- 1 As part of the Council's annual Business Planning process, each of the Scrutiny Boards has undertaken a review of the budgets and priorities for the services within its remit in order to understand the pressures and challenges faced and to identify possible savings which would contribute to the meeting its overall budget shortfall in 2016/2017 and beyond. They have worked closely with officers from the services and Finance through private workshops and performance & finance sub-groups, and the Council Overview Board has drawn together the key themes and recommendations from this process. These are set out below for consideration by the Cabinet.
- 2 The Scrutiny Boards recognise the particular difficulty there has been this year in setting the Council's overall budget as a result of the significant reduction in the grant funding from Central Government, and the delay and uncertainty this caused in determining the budgets at directorate and service level. The knock-on impact of this has been that scrutiny by the Boards has taken place much later than usual in the budget cycle, and it has been difficult for Boards to get timely and detailed information to enable them to make informed comments and recommendations on the spending plans of services. This has inevitably impacted on the value of the Scrutiny Boards' contribution to the overall process.
- 3 As a result of the difficulty faced by Boards in contributing fully to the budget-setting process, the Council Overview Board has agreed to review the arrangements for the scrutiny of budgets at its meeting in June 2016. The Board recognises that the delays and uncertainty faced this year may be an issue again in the future, and would therefore like to identify ways in which the scrutiny process can more rigorously support the budget-setting process.
- 4 The Scrutiny Boards would like to thank officers from Finance and other services for their support in the process, and the Boards will continue to work closely with them as part of their on-going monitoring and challenge of the budgets in the year ahead.

General Issues:

- 5 As already mentioned, one of the challenges faced by Boards was in obtaining sufficiently timely and detailed budget information. Whilst acknowledging the reasons which contributed to this, the availability of detailed budget break-down makes it easier for the Boards to scrutinise the spending and make informed decisions about the scope for savings. This was reflected in the work of the Economic Prosperity, Environment & Highways Board, which received a detailed cost analysis breakdown of the Highways and Transport Service. This provided reassurance to the Board about the management of the budget pressures by the service and enabled it to understand fully the decisions which had been made in determining the spending in each area of work and that all reasonable steps had been taken to minimise costs. The Board's Performance & Finance Sub-Group has therefore asked to be provided with a cost analysis breakdown for the Environment and Planning service along the same lines as that provided by Highways and Transport.

- 6 As part of its budget review, the Council Overview Board identified a number of posts in the Business Services Directorate where agency staff appeared to be employed for significant periods of time. Many of these posts appeared to be non-specialist roles, and the Board believes that there is scope for making further savings in this area. It will therefore be carrying out a review of agency staffing later this year, but asks the Cabinet to review the evidence gathered so far, which it will pass to the Cabinet Member for Business Services. The Board will also, as part of this review, consider further a suggestion made by one of its members for the Council to establish its own agency to manage the appointment of temporary staff as a way of reducing overall costs and developing a pool of temporary staff with knowledge and experience of the Council
- 7 The Council Overview Board considered proposed savings to the training budget for Business Services. The organisation has previously sought to maintain the training budget despite the budget pressures it has faced in order to ensure that staff are equipped to deal with difficult challenges. The Board expressed concerns about the impacts on staff effectiveness and morale of the proposals to reduce the training budget for 2016/17, subject to consideration of further information about the extent to which the proposed reductions to the budget reflect efficiencies in the way training is delivered (eg e-learning) rather than a simple cut to the budget.

Recommendations:

The Council Overview Board has agreed the following specific recommendations to the Cabinet:

- a) That the Environment and Planning Service make an additional £50k saving from the Countryside budget specifically from the £800k budget allocated to the management of rights of way.
- b) That the Environment and Planning Service seek out potential savings in the Passenger Transport Initiatives budget (Travel and Transport budget).
- c) That the Environment and Planning Service seek out potential savings in the Community Transport budget (Travel and Transport budget), alongside current transport providers in preparation for 2017/18. It was suggested a reduction of £150k could be made cumulatively starting in 2017/18.
- d) That the Cabinet monitors whether savings planned through delays in the implementation of some IMT schemes result in increased costs of service delivery in other parts of the organisation.
- e) That, subject to confirmation about whether the proposed reductions to the training budget reflect efficiencies in the way training is delivered rather than a simple cut to the budget, the training budget be maintained at its current level.

Steve Cosser
Chairman of the Council Overview Board

Cabinet response to recommendations:

The Cabinet thanks the Council Overview Board and the Scrutiny Boards for their work in contributing to the budget process, in what has been a most difficult year. The Cabinet also welcomes the recommendations from the Council Overview Board.

The Environment & Planning service are planning savings of £0.2m for the Countryside Service in 2016/17, and £1.25m for the Local Transport Review by 2017/18. The Cabinet will ask officers to investigate further savings proposals and to reflect them in both the 2016/17 monthly budget monitoring and in developing the 2017/18 budget.

The Modern Worker is a long term programme crossing financial years which supports the delivery of the council's IT Strategy. The 2016/17 budget for the Modern Worker programme is key to delivering SCC's strategy and service savings. But we must look at all areas to find savings and efficiencies in these times. The savings for the Modern Worker programme are therefore based on reviewing the scope of the new and future projects so that they will still deliver the MTFP savings. The Modern Worker budget will be regularly reviewed throughout the year to ensure that the impact of savings is managed and funding is invested in areas which have the highest priority in terms of strategic delivery and providing benefits to Services.

The cabinet sees the training of its staff as key to the success of the County Council. The council has invested significantly in Leadership training over the last few years, which will have an impact for years to come. The efficiency savings are being delivered by ensuring increased attendance on courses, reducing cancellations, reducing costs and changing delivery methods, such as e-learning.

Mr David Hodge
Leader of the Council
22 March 2016

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