

2018-2020 Financial Planning and Budget Setting Process Business Case for Change

1. Summary

Title	Fit for Purpose – How we are organised
Business Case Number	Fit - How
Member	All
Project Sponsor	Patrick Melia
Project Lead	Patrick Melia
Council Plan Theme	Our People
Creating a Brighter Future Theme	Fit for Purpose
Saving or Income	Saving
Total 18/19 Savings/Income	(£3,505,000)
Total 18-21 Savings/Income	(£3,567,500)

2. Business Case

Summary

How we are organised; as services change the organisation must change with them. This project aims to ensure the organisation is reshaped to reflect changes in services and reductions in resources. In addition to changes in service delivery it also aims to ensure the organisation's infrastructure is changed and shrinks in line with the rest of the organisation with resultant changes in overheads and recharges. This will include taking opportunities to streamline the Council's infrastructure and processes where appropriate. In addition making sure that infrastructure is tested against best practice, the priorities of the Mayor and Cabinet and the market.

Renegotiation of fee paid to Engie

Renegotiation of fee paid to Engie by £150k from commercial dialogue re the contact centre and customer services offer.

Feasibility fund

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Feasibility fund will reduce from £300k to £200k. The budget available for feasibility was previously increased from £100k to £300k and it is felt that £200k would be an appropriate figure based on our knowledge of likely projects.

Reduce Service Improvement fund

The Service Improvement fund is currently £300k per annum but the Authority has not required this entire budget previously and therefore propose to reduce it to £200k.

Pensions from Revenue

Where pension enhancements were made, all pre 2000, these were funded through this revenue budget. As the number of these enhancements reduces over time a budget saving of £250k can be made in this area.

Management and Staffing savings

Management and structures - In line with service redesign and the review of the Council's Core Offer is a fundamental look at the organisation and how it will continue to be reorganised to deliver the policy direction and redesigned services. This includes shrinking the management of the organisation to reflect reductions in resources and bringing together similar and linked services to ensure consistency and lowest possible cost.

Business & Economic Development

Swans site management saving following improved security arrangements delivering revenue savings.

Restructure of the external funding team: taking into account the loss of European funding and taking advantage of new external funding sources. This will result in savings of £40,000.

Commissioning & Investment

Supporting Commissioning arrangements around High Needs & Additional Support

Income to support Commissioned High Needs provision

The Dedicated Schools Grant (DSG) income for 2018/19 (£140m of which £115m is transferred to schools and the balance used to fund school children with special needs) will also support our LA statutory duties including:

- Leading the strategic needs analysis for our cohort of children and young people with Special Educational Needs and Disabilities (SEND) and those with additional needs requiring access to alternative education provision through the High Needs Block.
- Working strategically with schools and colleges to review the current sufficiency and cost of our education placement and wider support offer 0-25, including special schools, outreach provision, Additional Resourced Provision (ARPs), SEN support in mainstream schools, the Pupil Referral

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Unit and alternative education, FE and specialist colleges for post-16 placements. To include access to personal budgets and spend on 'top-up' budgets for those with the most complex SEND needs.

- Understanding government High Needs funding policy, preparing briefings, responding to consultations on behalf of Schools Forum.
- Commissioning the right mix of provision in-borough and, where needed, externally e.g. for independent and non-maintained special schools and colleges via the collaborative commissioning arrangements of the North East Authorities.
- Agreeing with the Schools Forum the annual High Needs funding allocations for all schools and providers.
- Undertaking monitoring visits to schools and providers.
- Costs associated with information systems covering placement monitoring and review, financial monitoring and reporting on quality and outcomes.
- Sharing Management information with Schools Forum, the NE12 group or other forums, including submitting returns and reports to Department for Education / Education & Skills Funding Agency

An appropriate charge to the DSG High Needs Block from 2018/19 would be circa £50-£75k

Facilities and Fair Access

An inflationary increase in annual charge to Schools for Cleaning and Catering Services will generate circa **£30k per year**.

Additional business opportunities within the borough and beyond its boundaries could secure an additional **£20k per year**.

Restructure Investment Service

Restructure within the service that would result in the deletion of Major Contract Officer post (Grade 9) resulting in a net revenue saving of circa £20k. – post is shared with Darlington council.

Facilities and Fair Access

Restructure within the service that would result in the deletion of Education Welfare Officer post (Grade 11) resulting in a net revenue saving of circa £50k.

HR - Reduce Workforce development budget spend on corporate training

Reduce the workforce development budget spend on training provision by £25,000. This will be achieved through a refocus on priority development and the move towards online/e-learning provision.

Finance – reduction in fee paid to Engie due to the return of work to the Council Finance team £57,000.

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Commercial & Business Redesign

Savings will be made from the Commercial and Business Redesign team via the deletion of a vacant post.

Law & Governance

Currently all complaints against the Authority are managed centrally. The centralised administration provides for central recording of complaints on the CRM Complaints System, and advice and guidance on the complaints procedure, timescales etc. The Complaints Manager fulfils the Statutory Complaints Officer role and undertakes a key liaison role with the Local Government and Social Care Ombudsman/Housing Ombudsman and determines whether complaints proceed to consideration by Regulation and Review Committee within the Authority's Corporate Complaints process.

Proposal:

Allocation of Complaints will cease to be carried out centrally and will be received by and recorded at the point of receipt within each Service. Complaint monitoring will be the responsibility of the Link Officers within service areas to ensure responses are issued within timescales. This leaner process is in accordance with the self-service TOM principle.

A Senior Complaints Officer post will be retained within Law and Governance to fulfil the Statutory Complaints role (at GR9 subject to JE), to provide an overview of all complaints, advising Cabinet on Complaints across the Council and adverse Ombudsman findings and provide appropriate challenge/support to responding services. The officer will undertake other responsibilities referred to above. Through a restructure and grouping of roles undertaking remaining and similar core tasks it will be possible to reduce the number of posts by 2 FTEs.

Target Operating Model – alignment to key principles

1. We understand and manage demand	x
2. We enable people to help themselves	x
3. We use intelligence to target resource to best effect	x
4. We Maximise income and reduce long term cost	
5. We work in partnership to improve outcomes	x
6. We are innovative and utilise technology to improve outcomes	x

3. Financial Implications

Net Savings / Income	Cost Centre & Subjective	Part year? (months)	18/19 (£000s)	19/20 (£000s)
Central				

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Renegotiation of fee paid to Engie from commercial dialogue re contact centre and customer services offer	P4102 2888		(150)	0
Feasibility fund reduce from £300k to £200k	08267 2887		(100)	0
Reduce service Improvement fund from £300k to £200k	09967 2888		(100)	0
Reduce pensions from revenue budget to match current need	09999 0904		(250)	0
Management and staff savings from vacant post	Cross cutting		(2,500)	0
Business & Economic Development				
Swans site management saving following improved security arrangements	01955	2888	(28)	0
Restructure of the external funding team taking into account the loss of European funding	01796		(40)	0
Commissioning & Investment				
Increase contribution from high needs block of the dedicated schools grant (£50k) and increase income target for Facilities and Fair Access	00417/ 05351	0070/ 0470/ 0570/ 5354	(100)	(62)
Restructure Admissions and Attendance service	04055	0070/ 0470/ 0570	(50)	0
Restructure Investment service			(20)	0
HR - Reduce Workforce development budget spend on corporate training	00342	0901	(25)	0
Finance – reduction in fee paid to Engie from the return of work to the Council Finance team	P1101	2888	(57)	0
Commercial & Business Redesign – deletion of a vacant post				
	01939	5937	(25)	0
Law & Governance				
Reduce the spend on the civic functions	07053/ 07056	2332/ 2304	(15)	0
Reduce the centralised officer support for the complaints process. Complaints will be recorded at point of receipt in each	07107	0070/ 0470/ 0570	(35)	0

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service.				
Removal of catering budgets for Council, Cabinet and Committee meetings. A hot drinks machine and vending machine offering snacks is now available	08641	1955/ 2051	(10)	0
Total			(3,505)	(62)

Financial Analysis 2018/19	
Expenditure/Income Line	Value (£000s)
Employees	(2,990)
Third party costs	(432)
Supplies and Services	(28)
Recharges	(25)
Fees and Charges	20
Sales	(50)
Total	(3,505)

4. Staffing Implications

Affected FTE [Reduction (-), Increase (+)]	2018/19	2019/20
Management and service savings	(50-75)	0
Reduce the centralised officer support for the complaints process.	(2)	0
Restructure of the external funding team	(1)	0
Restructure Admissions and Attendance	(1)	0
Restructure Investment service	(1)	0
Total	(55-80)	0

5. Delivery Plan, Risks and Outcomes

Key Milestones		
Milestone	Lead Officer	Completion Date
Commissioning and Investment		
Implement new commissioning and investment arrangements	I Betham, B Patterson, Mark Taylor, Scott Woodhouse	1 April 2018
Prepare Restructure Documentation	I Betham, B Patterson, Mark Taylor, Scott Woodhouse	Nov 17 to March 18
Consult on Proposals	I Betham, B Patterson, Mark Taylor, Scott Woodhouse	Nov 17 to March 18

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Consider Feedback/Changes	I Betham, B Patterson, Mark Taylor, Scott Woodhouse	Nov 17 to March 18
Implement new Structure	I Betham, B Patterson, Mark Taylor, Scott Woodhouse	1 April 2018
Business & Economic Development		
Draft fees schedule for recharging security services	Graham Sword	December 2018
Notification of charging to shipping agents	Graham Sword	January 2019
Implementation of Charging	Graham Sword	March 2019
Secure Greater income for Swans through increased marketing	Graham Sword	March 2018
Commence re-structure in Funding Team	Sean Collier	March 2018
Finance		
Completion of contract re-negotiation re contact/customer service provision	Janice Gillespie	March 2018
Cross Cutting Continue to redesign services and management structures	Patrick Melia	March 2018

Risk	Risk Score	Mitigating Actions
Complaint Processing There could be a risk of complaints not being dealt with appropriately within the correct procedure and therefore not being responded to. This could lead to an increase in complaints to the Ombudsman Office.	B3	Appropriate training and guidance will be provided to existing Complaints Link Officers
Redesign: There is a risk that re-organisation proposals do not deliver the required level of efficiency.	A2	Monthly programme development update at SLT identifying achievement to target
Swans - Marketing does not succeed or	D3	Look at other revenue streams to

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market interest drops		support income targets, such as temp storage uses
Funding Team restructure Reduction in Funding Team leads to missed funding opportunities	D3	Monitor situation and if replacement for EU funding is launched then review staffing numbers

Performance Indicators

Indicator	Baseline	Target
Complaints (volumes)	1,100	1,100 or less

6. Other Requirements / Dependencies

Technology Requirements

Complaints

Additional full licenses for Complaints link officers across the Authority will be secured to enable them to directly utilise the existing complaints management system. Cost built into savings assumption above.

Client / Customer Implications

Complaints

There will be a need for other service areas to self-serve to a greater degree in directly administering complaints. Consultation will take place with Heads of Service regarding the implications for key link officers whose responsibility it will be to record and monitor the processing of complaints.

Partner / Stakeholder Implications

Complaints

Partners currently use the Complaints Management system to respond to enquiries and will need to be trained on complaint registration and their responsibility to monitor the processing of complaints.

Equality and Diversity Implications

An EIA has been prepared

Is this project also included/supported by Capital Investment?

Yes

7. Sign Off

Mayor / Cabinet Member(s)	Cllr Pickard, Cllr Glindon, Cllr Stirling, Cllr Darke, Cllr Burdis
Head of Service(s)	Patrick Melia
Finance Manager	Alison Campbell