

### **MEDIUM TERM SERVICE & RESOURCE PLAN RESOURCES & SUPPORT SERVICES**

Council Connect, Improvement & Performance, Finance, Legal & Democratic, Policy & Partnerships, Property, Revenues & Benefits, Risk & Assurance, IT and Transformation

**2010-11 until 2012-13**

#### **Introduction**

This plan sets out the key influences on Support Services together with the intended responses. Plans are produced for each of the Council's service blocks or directorates:

- Resources & Support Services (this plan)
- Children's Services (this is jointly produced with the PCT and includes Schools)
- Housing, Health & Social Care (this is jointly produced with the PCT)
- Customer Services (Planning, Transport, Waste, Highways, Libraries, Tourism Leisure & Culture)
- Development & Major Projects (Economic Development & Project Management & Delivery)

A separate plan summarises the main financial assumptions and parameters (Annex 1 to the November CPR O&S Panel report).

All these plans take into account:

- The new Sustainable Community Strategy
  - the strategy and targets for the local partners on the local strategic partnership - public sector, business, voluntary and community - and covers the period up to the year 2026
- The Local Area Agreement 2008 and the specific targets relating to support services
  - This is the delivery plan for the Sustainable Community Strategy but will need to be updated to reflect the new strategy – a refresh takes place annually
- The Corporate Plan
  - This interprets the Sustainable Community Strategy from a Council perspective and articulates the Council's priorities
- The Council's change programme
  - The plan to transform the Council, where appropriate in partnership with the PCT and otherwise, so that it can meet the challenges arising from:
    - joining up public services - so that strategic planning, community engagement and customer interaction is simpler and even more effective
    - designing services around the needs of individual customers - to remove waste, provide choice and improve customer satisfaction
    - meeting the stringent financial challenges - that are facing local government as the squeeze on public expenditure starts to bite.
- Demands placed on the services including demographic changes and consultation feedback

- Levels of performance compared with priorities
  - The Council will have received its Comprehensive Area Assessment in October – this will cover its own services and also those of other public sector partners
  - An overall assessment of the Council will have been received in October along with a Use of Resources assessment and a managing performance assessment – these are all carried out independently by the Audit Commission and incorporate the work of the other inspectorates that assess Council services
- Benchmarking against other local authorities
  - This work is carried out locally to assess comparative performance. This is being supplemented in the current year by a special base lining exercise to help inform the change programme – a transformation diagnostic
- New legislation and other new requirements placed on services
  - The recession is placing particular demands on the Council and this has to be taken into account as the Council strives to work with and support local business and communities.

This plan looks at the services listed in the next section over the next 3 years but also takes into account trends, needs and aspirations that will stretch beyond that period.

The financial context for this medium term plan is challenging. Overall the Council has to make service cuts equivalent to at least 5% of gross spend per annum. This figure assumes a 2.5% increase in Council Tax and nil increase in Government grant from 2011 onwards. There is a risk of reduced external funding for capital in future years, a 50% reduction is likely, and other adverse revenue and capital financial impacts are possible following the next national elections in 2011 and when the next national Comprehensive Spending Review takes place.

The Government expects Councils to achieve 4% annual cashable efficiency savings and takes this target into account in setting its grant support for the Council. The Council's income (excluding DSG) comes from government formula grant (17%) Council Tax (32%) fees, charges and specific service grants (51%)

The Council is working in partnership with public bodies, business and community organisations through the Local Strategic Partnership. The high level strategy for the area and for all the organisations in this partnership is the Sustainable Community Strategy which has just been refreshed.

The Sustainable Community Strategy identifies 6 key issues which we need to address as a community over the next 20 years. They are

- The causes and effects of **climate change**
- The impacts of **demographic change**
- The need for **growth**
- **Inequalities** in our communities
- A focus on '**thinking local**'
- The impact of recession on our **economy**

Resources and Support services has a key role in each of the issues and these challenges are being addressed through activity under 6 key themes

The Council's priorities flow from the Sustainable Community Strategy and are set out in its Corporate Plan:

- Improving transport and the public realm
- Building communities where people feel safe and secure
- Addressing the causes and effects of climate change
- Improving the availability of affordable housing
- Promoting the independence of older people
- Improving the life chances of disadvantaged children and young people
- Improving school buildings
- Sustainable growth

The remainder of this plan is divided into the following parts:

- Background
- Financial Targets
- Drivers for change
- Options & next steps

## Background

### **Staff Resources Finances**

The services incorporated in this plan are listed below together with related staff numbers and previous year budgets. This is the starting point for the 3 year plan. Changes start with this as the base:

<b>Service</b>	<b>Staff No. fte</b>	<b>Gross Revenue Budget £000's</b>	<b>Net Revenue Budget £000's</b>
<b>Strategic</b>			
Strategic Management	7	734	697
Local Strategic Partnership	11	1,121	999
Performance & Org Dev	12	935	935
Communications	9	654	550
Transformation	4	1,342	1,197
Sustainability	3	323	323
Equalities	3	167	167
Members Support	8	1,382	1,364
	<b>57</b>	<b>6,658</b>	<b>6,232</b>
<b>Corporate Estate</b>	<b>0</b>	<b>8,006</b>	<b>6,815</b>
<b>Customer Facing</b>			
Council Connect	51	1,532	1,463
Revenues & Benefits	90	3,463	1,704
Commercial Estate	0	2,527	(12,438)
Community Safety	6	993	736
Safer & Stronger Communities	8	610	545
	<b>155</b>	<b>9,125</b>	<b>(7,990)</b>
<b>Support Services</b>			
Finance	91	3,944	1,315
Human Resources	32	2,962	1,026
Risk & Assurance	27	1,518	1,167
ICT (client & partnership)	1	5,461	(1,011)
Improvement & Performance	3	104	104
Legal & Democratic	55	3,092	984
Property Services	129	8,103	1,287
	<b>338</b>	<b>25,184</b>	<b>4,872</b>
<b>Traded Services</b>	<b>158</b>	<b>6,156</b>	<b>60</b>
<b>TOTAL</b>	<b>708</b>	<b>55,130</b>	<b>9,989</b>

*Note:*

(1) The revenue and capital budgets stated are for 2009/10, prior to any changes arising from this plan.

(2) The gross figures are before income including government grants.

(3) *The capital programme value is the total for the 3 years starting in, and including, 2009-10.*

(4) *The above table does not include Avon Pension Fund for which the Council is the lead authority but the finances are planned and managed separately.*

(5) *Both People Services (payroll and day to day HR transactions), plus ICT are carried out by an outside private sector provider namely Mouchel under a contract and staff numbers are not included.*

(6) *Members support includes £869k in respect of Members allowances.*

(7) *All the figures in this table include recharges from other support services*

A copy of the existing capital programme is attached as Appendix 1.

## **Drivers for change**

The main drivers for change for Resources & Support Services are:

### ***Sustainable Community Strategy & Corporate Plan***

The Sustainable Community Strategy affects this department through the Council's Corporate Plan.

Relevant extracts from the Sustainable Community Strategy, Corporate Plan and Local Area Agreement (LAA) are set out in Appendix 2.

The main points directly affecting Resources & Support Services arising from these plans are summarised below under the Council's Corporate Plan headings:

- *Improving transport & the public realm - sales of assets potentially enable investment in this priority – this is linked to property and the asset management plan but needs to take account of the recession*
- *Building communities where people feel safe and secure – directly relevant to teams within Policy & Partnerships that work with the Police on Community Safety as well as more general work to engage with local communities as well as work with the voluntary sector*
- *Addressing the causes and effects of climate change - directly relevant to the sustainability & climate change team within Policy and Partnerships*
- *Improving school buildings – directly relevant to the repairs and improvements works implemented by the Property team but the building schools for the future (BSF) programme is not dealt with by Property – BSF is dealt with by Children's Services and Major Projects*
- *Sustainable growth – directly relevant to the community strategy (as are all these priorities) which is led by the Local Strategic Partnership (LSP) which in turn is supported by the Policy and Partnerships team*

All support services indirectly support each of the above and have opportunities to tailor their approach to maximise the focus of their support, for example Finance plus Legal and Democratic Services supporting major transportation and waste projects co-ordinated by the West of England Partnership.

Improvements in performance are sought in each of the above areas and targets are contained in the LAA. There is government performance reward grant for the achievement of some of the targets.

Improvements in performance are generally sought to achieve the government's 4% efficiency target. All services will work towards achieving this target. Other improvements in performance relate to the remaining drivers for change listed below including improvement plans from recent inspections.

The drive for improvements is increasingly shifting towards efficiencies and savings rather than service improvements. Nevertheless the Council continually strives to improve customer satisfaction and lean reviews can be a way to achieve this at the same time as realising savings.

In the first year of this 3 year plan the squeeze hold drive approach for this block of services has been temporarily put on hold. This is because the change programme will be used to reconfigure the services affected by this plan. The squeeze hold drive approach has already shaped these services in line with priorities but a more radical approach is now required.

### **Change Programme**

The reasons for the change programme have already been referred to:

- joining up public services
- designing services around the needs of individual customers
- meeting the stringent financial challenges that are facing local government

The main elements of the programme are:

- developing the **core** planning, intelligence, commissioning and community engagement activities. The idea is also to free up service delivery so that the most effective pattern of delivery can be arranged for each service – *lead Policy & Partnerships*.
- redesigning services to help focus on priorities so that scarce resources are used effectively – *there are leads in each Directorate*
- remodelling **customer services** – developing the role of Council Connect further, designing services around the needs of customers and life events, using automated 24/7 services wherever possible, improving the one stop shops and involving other partners, providing choice and reducing any waste in the system by getting it right first time – *lead Council Connect*
- securing the most cost effective **pattern of support service delivery** – looking at the procurement activity, transaction processing and advice services plus traded services and seeking to achieve 10% to 15% savings whilst maintaining service quality but also ensuring services are tailored to the needs of the Council as well as the PCT as we work increasingly in partnership – *lead Finance*
- redesigning the Council's **workplaces** – improving office accommodation to modern standards, introducing flexible working for all staff and reducing the office footprint by 40% over the next 3 years – *lead Property*.

To support these activities and to kick start the programme:

- A **transformation diagnostic** has been run for all Council activity – the PWC diagnostic - this helps base line the existing levels of service and develops a blue print for change to support the principles of the change programme based on business cases – phase 1 of this work is due to be complete by January 2010 but the business cases will need to be implemented beginning in 2010/11 – *lead Finance*

- A pilot for **flexible working** has just been completed in Children's Services - this will need to be extended in 2010 and 2011 so that the Council can reduce its space requirements as leases expire in Bath – the pilot affected about 300 people and the next phase will affect another 300 people. The aim is to complete the programme for workplaces transformation in 2013 – lead Property
- A programme of **lean reviews** is underway – these impact on front line services initially, including Housing Benefits, to support the Customer Services change programme outlined above as well as achieving efficiencies within the services involved. In addition lean reviews are taking place in HR and ICT – HB, HR & ICT will all be completed in 2010 – lead Transformation.
- A programme to deliver the Council's **asset management plan** will be developed - the programme will be put into place in early 2010 – lead Property
- A programme to transform the **procurement** function will also be developed in tandem with the Support Services review – an options review will be completed by spring 2010 – lead Risk & Assurance with input from Finance
- The **ICT strategy** will be developed to reflect the Council's change programme including flexible working and the Support Services review – a strategy will be completed by spring 2010 – lead Transformation
- **Workforce Development** will be designed to support the needs of both the Council and the PCT as they go through this change programme.
- **Communications** to staff and the public will also be a key activity to ensure that there is a clear understanding and recognition of the need for change, what is planned and what is happening.

The change programme will also be used as a means of further integrating with the PCT (NHS Bath & North East Somerset). There will be specific actions to integrate or align systems and to jointly provide / procure support services for both organisations. The future status of the semi autonomous (in the way it operates but not necessarily its legal form) adult health and social care delivery service will have a major impact on the amount and nature of support services required as it is equivalent to about 20% of Council activity excluding schools.

The Support Services review is the most fundamental change affecting this directorate and will start with a strategic options review which will be complete by early 2010. The best pattern of options can then be agreed by the Council and the PCT but the timetable for delivery will depend on the need to engage with partners and any procurement of external support or provision. Enhancing in house services remains an option and whichever option is selected the financial targets will be challenging.

The change programme is being mainly co-ordinated from within the Directorate by a small Transformation team and is led by the Chief Executive and Director of Resources and Support Services.

## Finances

The financial target for this Directorate reflects the agreed **corporate targets**. In cash terms the targets are:

- 2010-11 - £8.640 million
- 2011-12 - £8.203 million
- 2012-13 - £7.805 million

In real terms the targets equate to a reduction of about 5% of gross spend in 2010-2011 inclusive of:

- the need to absorb inflation on pay and non pay budgets
  - the financial cost of this is £0.642 million or 1.2% of the gross budget
- the need to absorb pensions costs increases
  - the financial cost of this is £0.532 million or 1.0% of the gross budget
- the costs of maintenance needing to be covered including debt charges
  - the financial gap is still being researched but the provisional figure is £0.700 million or 1.3% of gross budget

The workload for the Directorate is increasing largely as a result of the **change programme** but also because of the impact of the **West of England** projects.

This plan reflects a pressure of about £550,000 in respect of maintenance and debt charges relating to improvement works to property. No other pressures are reflected in this plan other than inflation and pensions as explained above.

The aspiration is to secure one off corporate funding to support the resources requirements of the **change programme** which in turn will act as an invest to save mechanism to meet the Council's financial challenges. More detail is set out in the February budget report in the section on reserves.

The change programme office is small with only 4 staff and there is a recurring budget of about £800,000 split between programme management, lean reviews support (about half the budget) some IT costs for document management (which will be transferred out of this budget in due course, and flexible working (also due to be transferred out of the budget).

The level of ambition in the change programme will need to be appropriately funded and in other Unitary Council's reserves for a programme of this size one off resources are typically of the order of £5 million to £10 million.

The **carbon management** (reduction) programme has an investment plan that involves spending the following amounts over the next 3 years:

- £400K per annum
- funded from invest to save resources (which can be bid for at any time)
- and one off resources which so far relate to 2009-10 only

More detail about the funding for the carbon reduction programme as it presently stands is set out in appendix 6.

## **Performance**

The Council's 'Use of Resources', 'Managing Performance' and 'Organisational Assessments' from the Audit Commission are all draft but the indications are that the Council is regarded overall as offering good services. Despite this there is room for improvement:

- the Council was at level 2 in the old equalities but is aiming for 'achieving' against the new framework (standard) – this would represent a good level of performance (equivalent to the previous level 3), and a recent IDeA peer review confirms significant progress and an indication the new level has already been achieved.
- more emphasis will be placed on final accounts work so that the accuracy in some technical areas improves esp. treatment of capital assets – albeit that the 'bottom

line' was accurate and financial planning and control are already regarded as good

- the Corporate Audit Committee is reviewing its work programme to improve its impact and to be more closely involved in assuring risk management processes are effective
- the carbon reduction programme will move from planning phase into delivery and is already starting to do so
- a plan will be developed to bring together and programme the various existing ideas and activities designed to rationalise and better use land and assets - the office rationalisation plan being an excellent example
- workforce development will receive particular attention

These are the main areas for improvement activity for this block of services.

There are no red or green flags arising from the CAA process, in other words no notable areas of concern about how we work with partners, but we will:

- continue to develop the role of the Local Strategic Partnership and its Executive as the partnership sets about delivery of the sustainable community strategy
- emphasis will be placed on developing the third sector so that following a recent commissioning exercise for voluntary and community activity work can take place to enhance capacity – which in turn helps to develop self supporting communities
- the new Community Safety plan will be delivered in partnership with the police and others and will focus on fear of crime as well as tackling anti social behaviour
- the Council will work on models of community engagement particularly in areas of relatively high deprivation
- carbon reduction will feature in the sustainable community strategy delivery plans and may also be a theme for the governments new 'Total Place' initiative which has just resulted in funding of £0.5 million coming into the West of England from Government. Vulnerable families and making best use of public assets are other potential themes
- the focus will remain on LAA targets which could result in reward grant coming into the LSP of
  - 2010-11 (LAA 1) £2.27m for 100% delivery– projected £1.15m
  - 2011-12 (LAA 1) £2.27m for 100% delivery– projected £1.15m LAA2 £1m for 100% delivery
  - 2012-13 (LAA 2) £1m for 100% deliveryThe reward money is 50% capital and 50% revenue. 60% delivery is probably a realistic target with reward grant reduced proportionately.
- the Multi Area Agreement has just been signed and supports amongst other things:
  - the development of joint infrastructure plans so that the Core Strategies for the 4 unitary authorities across the West of England – the headline land use planning documents due in our case to go to consultation this year - can be supported by the right transport and community infrastructure

The Policy & Partnerships team has a co-ordinating role for all these activities

The Council is increasingly using **Benchmarking** information to help plan its service improvements and search for efficiencies. The benchmarking as reported in last year's plan is being updated as a part of the review as support services. The latest information is summarised as Appendix 3

Services are being contacted to respond about the quality of support so this can be judged against financial data in the form of costs per head and unit costs.

### ***Carbon Reduction***

The Council has engaged the Carbon Trust to help it develop and deliver a carbon reduction programme. The Council is aiming for a 30% reduction over 5 years. A programme is now in place and this consists of a series of invest to save projects that range from driver training and other activities to affect behaviour through to investment in better plant, insulation and ensuring the workplaces project will deliver excellent environmental standards.

The LSP will be targeting further action across the partnership. Some of the headlines are:

- Plans are in place to manage the unavoidable impact of climate change and peak oil, and make sure our homes, business, public services and the natural environment are safeguarded
- Significant cuts will be made in the carbon emissions of all organisations in the LSP, at least in line with national targets (34% by 2020, 80% by 2050)
- We will provide the leadership to help our communities to help people reduce carbon emissions across the area by 45% by 2026
- We will develop a Sustainable Energy Strategy for the area to enable the development of clean, local, sustainable energy sources and systems

### ***Equalities***

The focus has been on:

- Developing and implementing an improvement programme for the Council as a whole to help ensure its services and practices fully take into account equalities issues and ensure equal access to services
- Carrying out a mapping exercise of local communities to assist with the planning of services against needs
- Updating policies including employment policies and support arrangements for all staff
- Carrying out equalities impact assessments of projects, practices, policies and services in agreed priority areas

The reassessment of the Council to see if it has gained the 'achieving' level for the new equalities framework will take place this summer. An action plan will be developed following that assessment.

In each service action plan services will identify the key actions from their Equality Impact Assessments.

The Corporate Equalities Group is led from within the Directorate and will continue to focus on the standard and co-ordinating inter departmental activity. The group will also continue to enable the various worker groups to have a voice and to prompt further reviews of employment policies and consultation processes esp. in relation to hard to reach groups.

## ***Business as Usual***

This plan will not address business as usual issues in any detail. The annual Service Action Plans to be produced in January by each Division will provide more detail. However a few points are worth highlighting:

- the recession threatens void levels in the Corporate Estate and the collection of income including commercial rents (but so far voids have been very low), Council Tax and Business Rates (and again so far collection rates have been maintained) – there will continue to be close monitoring and actions to support customers and the community:
  - the successful recession action plan will continue
  - support for people in need of benefits will continue as will support for employers with benefits advice surgeries when or if large scale redundancies arise
  - as will close working with the CAB and advice agencies
  - a campaign will be run to help people in debt or in need of benefits
  - new resources will be brought in to deal with increased caseload and so far government funding has been available to support this
  - the LSP will be involved so that partners support and add to these activities
  - voids in the corporate estate will be prevented wherever possible and there will be joint work with other commercial landlords in the city
  - development opportunities will continue to be promoted
  - the impact of the opening of Southgate will be closely monitored to ensure the rest of the city adjusts
- The West of England partnership will be supported to develop its performance management function and financial processes as there is increased emphasis on delivery rather than just policy development. Key projects at partnership level include a joint waste disposal project to improve recycling, transport projects such as Greater Bristol Bus Network, Transport Innovation Fund and potentially joint work on the provision of affordable housing and a single conversation with the Homes & Communities Agency.
- Capital projects within the Council such as Bath Transport Package and Building Schools for the Future will receive support from Finance.
- The lean programme will help to shape business as usual – in this directorate this will initially be in Housing Benefits and then Council Tax, but there will be indirect impacts on Council Connect.
- Work with the PCT will continue to implement the financial framework and integrate many of our systems.
- The definition of business as usual in local government is now at least 4% annual efficiency savings and more targeted activity to link services to priorities and needs. Support Services need to be reshaped to provide better support to the front line services as well as continuing to increase financial and procurement disciplines.
- There will need to be sound performance management that links to medium term and service action plans, sound risk management, good financial planning,

reporting and control, effective management of assets, reduced carbon footprint, and good workforce planning especially given the reductions in budgets over the next few years.

- Policy & Partnerships and Improvement & Performance will be working closely together to prepare for the next Comprehensive Area Assessment and Corporate Assessment.

## **Workforce Planning**

The services included in this medium term plan have some common workforce planning issues but how these are met will vary, as set out below.

The common issues are:

- Need for staff reductions over a 3 year period of between 10% and 15% - this is in line with the required financial savings. (Existing staff numbers are set out on page 4).
- Need for strategic commissioning roles to be developed in the core of the support services and property functions plus policy and partnership and improvement and performance.
- Need for a reshaping of the workforce to reflect the demands of the change programme and the findings of the PWC diagnostic:
  - Targets for savings and staff reductions as set out above
  - Efficiencies and staff reductions through:
    - some centralisation of support services and customer services, although in the latter case this centralisation may be more virtual with common ways of working across departments rather than simply migrating staff into Council Connect
    - removal of duplication partly achieved through co-location but also new ways of working and more rigorous use of systems such as procure to pay plus some self service
    - design of support services around the needs of users of service with service level agreements and some choice provided to users of support services and property services
  - New ways of working linked to the workplaces project bringing about new accommodation with shared workstations and new technology with improved access to systems

Staff will benefit from bespoke training and development associated with their changing roles. Staff will also be helped to achieve greater skills to equip them to compete for internal and external roles in anticipation of staff reductions within the department.

Middle managers will benefit from the development programme being designed for them based on the needs arising from the change programme, not least strong and effective leadership during a period of change and staff reductions. Coaching will also be provided.

Change coaches will continue to facilitate change in each Division.

Divisional Directors will benefit from leadership development and one to one coaching.

Some of the new skills requirements are associated with:

- Business planning and financial awareness
- Lean as a means of reducing waste in systems and helping improve customer experience whilst increasingly focusing on high priority needs
- Systems training where new IT is implemented such as aggroso finance systems upgrade, e procurement, changes to customer relationship management, and outcomes of lean reviews
- Commissioning skills esp. for staff in core roles associated with all the services including strategic roles, assessment of need, consultation, intelligence and research, procurement, community engagement and partnership working.

The reduction in the size of the department will also require Divisional Directors to look closely at other delivery models for their services and to further develop the relevant HR skills to manage redundancies, redeployment and transfers of staff.

The strong position of the Department's financial management should enable a planned and phased approach to be adopted.

The emphasis will vary from Division to Division:

- Council Connect – better understanding need increasingly linked to customer life events, use of self service technology for most and better face to face contact (shared with partner organisations) for the vulnerable, some centralisation and ring fenced recruitment into the service with net reductions in posts across departments
- Revenues and Benefits – lean systems thinking with phased reduction in posts ideally coinciding with no longer using external support to process cases plus possibly providing support for other Councils, plus managed recruitment freeze.
- Support services – redesign around needs of user departments, managed recruitment freeze and then possibly lean reviews and/or partnering. Some services already provided by Mouchel the Council's external partner provider of ICT and People Services. Flexibility of these services to adapt to varying demand is a key issue. Also some sharing with the PCT (NHS B&NES).
- Property & audit – separate assessments of the delivery options underway with emphasis on the need to protect and develop the skills requirements of these services whilst reducing costs and also reviewing the best way to deliver trading services.
- Policy & Partnerships plus improvement & Performance – sharing of resources across the LSP wherever possible as strategic commissioning roles develop.

Each service will review its staff profiles to facilitate the above changes. Early retirements may facilitate some of the changes subject to affordability. Flexible retirements and other flexible employment options will be considered. Some redundancies will probably be necessary but early planning will be used to keep these to a minimum. Staff structures will be reviewed to ensure the core/commissioning roles in the Department are well resourced and clearly defined.

To achieve the necessary changes there will need to be the right programme management in place. The first moves to facilitate change will therefore be:

- Appointing change programme managers and setting up project teams for each strand of change activity in the department and to ensure these strands link to the overall corporate change programme – in many cases they will help drive that programme.

- Use consultancy support only where skills or experience is missing and external support is needed to being about rapid and effective change – the lean review in Housing Benefits is an example of this approach. The PWC diagnostic was another example. In both cases the approach has been to develop skills in Council staff.
- Restrict recruitment when posts become vacant (a managed recruitment freeze with each post being carefully reviewed before being filled or deleted, and where filled increasingly this will be on a temporary basis with appropriate use of redeployment). Consideration will also be given to and develop their core roles.
- Assess the needs of each Division for support from the corporate resources being made available for manager development and workforce planning.
- Designing in more detail the workforce requirements of each Division over the next 3 years to reflect the principles set out here. Some management re-organisations will be required and in Finance there will be some reorganisation in the first year of this plan.

The commitment to equalities will remain as these changes are progressed with the Department continuing to build on recent improvements in its approach to equalities. Major changes will be properly impact assessed. Worker groups will be properly involved.

Further detail is also set out in the following section.

### **Options Years 1 -3**

The approach in year one of this plan is to sustain recent improvements in services and to achieve higher levels of efficiencies. The main areas for financial investment in services listed in this plan, which flow from the corporate priorities are:

- Climate change – carbon reduction programme
- Change programme – each of the work streams identified previously

The updated Community Safety Plan also continues to benefit from external government funding.

The savings targets for the Directorate have been allocated to each of the divisions for next year.

The change programme will result in a more dramatic redistribution of resources in years 2 and 3 of this plan. The targets for years 2 & 3 are therefore provisional. It is worth repeating that the transformation diagnostic is about protecting front line services and helping develop a blue print for change to support that aspiration. The options review for support services will follow the same approach.

The savings targets for each Division are set out below. The means of achieving these targets over the next 3 years are set out in Appendix 3. There are options about the sequencing of these savings and the ideas for years 2 & 3 are very provisional. It is intended that the change programme work will dramatically impact on options for years 2 & 3.

Service	Savings Targets		
	2010-2011 £000's	2011-2012 £000's	2012-2013 £000's
Finance	102.105	125.925	122.755
Revenues & Benefits	66.557	82.285	80.192
Council Connect	61.863	52.554	51.198
Risk & Assurance	38.184	45.748	44.741
Property & Facilities	925.841	612.455	596.764
Transformation	10.501	17.807	16.835
ICT	77.547	110.372	106.003
Policy & Partnerships	41.200	74.261	70.130
Improvement & Performance	72.601	99.181	95.643
Legal & Democratic	84.243	102.283	99.802
	<b>1,480.642</b>	<b>1,322.871</b>	<b>1,284.062</b>

The means of achieving savings targets include:

- Absorbing non pay inflation and pensions costs pressures (pay inflation is ring fenced corporately and if the pay increase is below the budgeted amount there will be a corporate saving)
- Seeking efficiencies through services that are already out to contract such as the ICT and People Services partnership (this builds on the current year's performance).
- Lean Reviews such as in Housing Benefits with Council Tax and aspects of Council Connect to follow (although customer driven significant savings tend to fall out from these reviews)
- Reducing or removing the Policy and Partnerships contribution to Environmental Services which was originally for Community Wardens. This arrangement was set up before the establishment of Police and Community Safety Officers and there is some duplication with these and other front line roles.
- Completion of the reorganisation of the Finance function
- Controls over new recruitment to reduce headcount
- Achievement of break even or better in trading accounts within Property Services
  - Building maintenance, cleaning, catering and printing

Increases in Support Services recharges would normally be a source of income but in the light of the pressures elsewhere in the Council, Support Services will absorb their own cost pressures and not pass on any cost increases.

The staffing impact of these changes in the first year will probably be at least the level in the current year when 10 occupied posts across the service block have been deleted. Service Action Plans contain more detail. Some further deletions of posts will take place as vacancies arise. A 5% reduction (the financial savings target) in posts would be equivalent to 27 posts (if traded services are excluded). It is expected the total number of posts deleted next year will be between these 2 numbers. Further staff savings will be needed in the following 2 years. The aim will be to release efficiencies whilst maintaining professional standards and meeting business requirements.

The high savings target for Property is partly (about 50%) created by the pressures in terms of funding maintenance plus debt charges on improvements to buildings. The office rationalisation programme will have a positive impact on these costs in the medium term. In the short term there is a problem and financing options have been developed. Some use of capital receipts will be needed for capital elements of these works. A further problem arises because in previous years Commercial Estate rent reviews would have created additional income (equivalent to about 30% of the savings target) but the recession is making this unlikely for next year and is starting to cause some difficulties in the current year.

Capital expenditure will need to be self funding and proposals are set out in Appendix 1.

### **Options – Years 4 to 10**

The longer term solutions are more speculative and will in part be driven by the wider agenda for local government, city regions, demand pressures on social care with an aging population, climate change issues but also the opportunities arising from an expanding population.

A start will be made on all of these longer term issues in years 1 to 3.

In relation to Policy and Partnerships:

- The role of the Local Strategic Partnership will need to develop into a strategic body that overviews public services from the various public sector providers
- Climate change will place increasing demands on us and require investment in flood prevention, more energy efficiency but also no doubt enabling alternative energy supply

In relation to Improvement & Performance

- People skills will need to adapt to the increasing level of partnership working and commissioning of services jointly with partners
- The requirements of 'more for less' will mean that lean reviews will need to be effective as a means of enabling staff to get the job done by working smarter rather than continuously working harder
- Our performance will increasingly be judged by real outcomes in the community and how we collaborate with partners to achieve – this will be part of the Comprehensive Area Assessment being run by the Audit Commission starting in 2009-10.

In relation to Support Services more generally if our plans develop as anticipated:

- All staff will be working flexibly in new working environments.
- The needs of a more commissioning Council will have been taken into account not least the requirement for support services to be responsive and scalable
- Support Services will be aligned/integrated with the PCT
- The PCT and some other public services will be co-located
- ICT will need to enable more flexible working with built in performance management
- Documents will increasingly need to be electronic
- We will have resolved the tension between:
  - Customer excellence demanding local provision within Bath & North East Somerset, and

- Economies of scale calling for more joint working across a wider area such as the West of England and possibly to link in with the role of city regions

#### In relation to Property

- Releasing value from the Council's commercial estate. The commercial estate is worth over £500 million and generates an annual revenue income of £13 million
  - There is the potential to realise receipts and maintain the asset value by investing receipts in the public realm in the same approximate area
  - Investment of this nature will enhance the economy of Bath where most of the property holding exist, and thereby contribute to a vibrant economy
  - There is the possibility of realising up to £10 million a year through these means but this will not be possible whilst the recession is significantly affecting our local economy which may be for some time yet.
  - The receipts need to be timed to realise best value whereas the investment in public realm needs to be timed to fit with the needs for investment as a catalyst for regeneration as well as linking in with other changes such as provision of rapid transit and completion of Southgate.

The expectation is that public expenditure will be constrained for the next decade as public finances recover from this recession. This will mean the change programme must deliver substantial efficiency savings otherwise more services will have to be cut.

#### **Approval of this plan**

This plan has been considered by Corporate Performance & Resources Overview and Scrutiny Panel (CPR O&S) in November 2009.

The Portfolio holder for Resources reviewed it after that so that changes were incorporated prior to January (CPR O&S) when service action plans were considered.

The various plans were brought together for consideration by (CPR O&S) in February and then Cabinet with budget recommendations made to the February meeting of Council.

#### **Appendices**

- Appendix 1 - capital programme
- Appendix 2 - performance targets – LAA and SCS delivery plan extracts
- Appendix 3 - benchmarking data
- Appendix 4 - equalities impact assessments
- Appendix 5 - change programme funding (still being developed)
- Appendix 6 - carbon reduction programme funding

## CAPITAL PROGRAMME

	2009-10 Forecast	2010-11 Draft budget	2011-12 Draft budget	2012-13 Draft budget
	£000	£000	£000	£000
<b>Capital schemes</b>				
Property Maintenance	1,576	1,766	1,806	1,847
Office Programme including Riverside Refurbishment	1,495			
Phase 2 Office Programme including Lewis House Refurbishment		2,639	4,055	21,695
Change Programme/Transformation	300	0	0	0
IT Refresh	517	636	723	0
Other	52	0	0	0
Agresso main system update		100		
<b>Total</b>	<b>3,940</b>	<b>5,141</b>	<b>6,584</b>	<b>23,542</b>
<p>Funding of property maintenance programme: currently this is funded by service supported borrowing which is unsustainable if this pressure is ring fenced to current property service budgets. This is under review and could become a call on capital receipts currently earmarked for the Public Realm project</p> <p>Projects within the office programme are being brought forward as Invest to Save. Lewis House Refurbishment is linked with the expiry of leases at Trimbridge and Plymouth House.</p> <p>New offices capital spend likely to be priority in 2011/12 and beyond – costs will be revenue neutral but will need up front investment in office re-provision - detailed feasibility report to be produced autumn 2009.</p> <p>ICT invest to save programme being prepared and not yet available</p>				

## Appendix 1 (b)

## Service Supported Borrowing

	2009-10 Forecast	2010-11 Draft Budget	2011-12 Draft Budget	2012-13 Draft Budget
	£000	£000	£000	£000
<b>Capital schemes</b>				
Property Maintenance - figures still in preparation*				
Office Programme including Riverside Refurbishment - this will self fund				
Phase 2 Office Programme including Lewis House Refurbishment - this will self fund				
Change Programme/Transformation - funding from financial challenge reserve				
IT Refresh - funding from IT reserve				
Other				

\* Options for funding maintenance costs are under review

**THE SUSTAINABLE COMMUNITY STRATEGY, CORPORATE PLAN  
& LOCAL AREA AGREEMENT**

The table below sets out the priority actions that are listed in the Sustainable Community Strategy to be delivered between 2009 -2012. These are set out by theme where there are actions that are directly relevant to Resources & Support Services.

The Local Area Agreement (LAA) is the delivery plan for the Sustainable Community Strategy and the targets being delivered by Resources & Support Services are also set out below with the relevant National Indicator (NI) number referenced.

<b>Stronger Communities: Creating communities where everyone contributes and everyone takes responsibility</b>	
<b>Council Corporate Plan Priority (2008 – 2011)</b>	<b>Our Sustainable Community Strategy priority actions between 2009 – 2012 are</b>
Improving transport and the public realm	Communities are contributing to better local services
	New ways of working with Town and Parish Councils, volunteer networks and community businesses have been introduced
Building communities where everyone feels safe and secure	Community planning is significantly extended
	The LSP community engagement strategy has been agreed and delivery has begun.
	One stop services are available locally providing better access to services
	Community engagement has increased e.g. through volunteering
	We have built on the experience of the community engagement work in Whiteway
	New forms of accountability are in place
Tackling the causes and effects of climate change	Communities have identified and prepared for the impacts of climate change on local community life
<b>The LAA indicators that measure this are:</b>	
Environment for a Thriving Third Sector (NI 7)	
Percentage of residents who feel they can influence decisions affecting their local area (LAA 1 stretch target)	
An increase in the number of people recorded as or reporting that they have engaged in formal volunteering on an average of at least two hours per week over the past year (LAA 1 stretch target)	

<b>Economic Development &amp; Enterprise: A thriving and resilient economy will play a key role in achieving sustainable growth in B&amp;NES.</b>	
<b>Council Corporate Plan Priority (2008 – 2011)</b>	<b>Our Sustainable Community Strategy priority actions between 2009 – 2012 are</b>
Building communities where everyone feels safe and secure	Community planning for the rural areas has begun.
<b>The LAA indicators that measure this are:</b>	

Percentage of residents who feel they can influence decisions affecting their local area (LAA 1 stretch target)

**Safer Communities: Building communities where people feel confident about carrying out their daily activities, inside and outside the home.**

<b>Council Corporate Plan Priority (2008 – 2011)</b>	<b>Our Sustainable Community Strategy priority actions between 2009 – 2012 are</b>
Building communities where everyone feels safe and secure	Anti-social behaviour and nuisance in Bath city centre at night has been reduced
	Gaps in services for vulnerable groups are being addressed.
	The effect of the recession on crime is being closely monitored
	There is a clear improvement in behaviour in Bath city centre at night
	People are receiving better information and responses to issues of concern
	It is easier to report and get action in 'real time' on local issues and nuisances
	Local communities are empowered to tackle issues such as fly tipping. We will use the local development framework system to reduce crime and strengthen communities

**The LAA indicators that measure this are:**

Serious acquisitive crime rate (NI 16)
Percentage of people who agree that the police and local councils are dealing with anti-social behaviour and crime issues that matter in their area (NI 21)
Re-offending rate of prolific and other priority offenders (NI 30)
Repeat incidents of domestic violence (NI 32)
The number of wounding offences in Bath and North East Somerset, as recorded by police (LAA 1 stretch target)
The number of common assault offences in Bath and North East Somerset, as recorded by police (LAA 1 stretch target)
The number of individuals (>18) beginning structured treatment for substance misuse with alcohol as a primary problem, as measured by Bath Area Drugs Advisory Service (LAA 1 stretch target)
Number of individuals (>18) successfully completing a structured treatment programme for alcohol problems, as measured by Drugs and Homeless Initiative (LAA 1 stretch target)
Percentage of individuals (>18) with alcohol as a primary substance accessing treatment who have a three or more point decrease in their Christo inventory score between their initial and final Christo evaluation, as measured by Drugs and Homeless Initiative (LAA 1 stretch target)

<b>Environmental Sustainability &amp; Climate Change: To lead B&amp;NES to an environmentally sustainable, low carbon future that is resilient to the expected changes to our climate.</b>	
<b>Council Corporate Plan Priority (2008 – 2011)</b>	<b>Our Sustainable Community Strategy priority actions between 2009 – 2012 are</b>
Tackling the causes and effects of climate change	The Council's carbon footprint is reduced by 30% by 2014 through its first five year Carbon Management Plan
	A strategic planning framework has been developed by the Environmental Sustainability Partnership and Climate Change Initiative and is reflected in all relevant strategies, such as the Local Development Framework and Regeneration Delivery Plans, the Zero Waste Strategy, Local Transport Plans, the Housing Strategy, Bath & North East Somerset NHS Plans, Economic Strategy, Education Strategy, Air Quality Action Plans, Asset Management Strategy, Green Infrastructure Strategy, Green Spaces Strategy and Bio-diversity Action Plans
	Each of the strategic themes and the action plans have been tested against this framework to ensure action on climate change is properly incorporated
	Action to cut carbon emissions and move away from fossil fuels is helping to tackle the issue of 'peak oil', and the impact of peak oil is included in resilience planning.
<b>The LAA indicators that measure this are:</b>	
CO <sub>2</sub> reduction from Local Authority operations (NI 185)	

## BENCHMARKING ANALYSIS

## Benchmarking analysis

Service	Headline indicator	Comments
<b>Council Connect</b>	Transaction costs: £10.13 face to face; £4.02 telephone	Above & below respective averages of £9.62 & £4.82  3 One stop shops One stop shops scope restricted & not in partnership
<b>Service Transformation</b>		
<b>ICT budgets</b>	1.9% of revenue budget spent on ICT	Below average of 2.3%  Several reductions in cost in recent years Restricted investment programme
<b>Policy &amp; Partnerships</b>	None available; structure of service is not aligned to other local authorities to allow for a comparison to be made  The service is a rich mix of direct service provision such as community safety, community engagement and strategic roles such as support for the LSP and policy development	
<b>Improvement &amp; Performance</b>		
Marketing & Communications	£735k cost of function	Aligned with average of £736k cost of function
Performance	None available; structure of service is not aligned to other local authorities to allow for a comparison to be made	
Human Resources	£449 cost per employee	Below average cost of £482 per employee
<b>Finance</b>	1.05 % of Organisational Running Costs	Below average of other Authorities
<b>Audit Risk &amp; Information</b>	£1,291 per £M Gross Turnover (Doesn't include Capital)	Above average of £1,117  Size of capital programme and West of England work suggest closer to benchmark than figures suggest
<b>Revenues &amp; Benefits</b>		
Council Tax	£8.72 per dwelling – In year Collection of 99% (UQ)	Below average of £15.22 per dwelling, specifically attributable to Central charges and Income from costs.
NNDR	£23.31 per hereditament – In year collection of 98.7% (Avg)	Below Average of £44.95 per hereditament.
Housing & Council Tax Benefit	£71.10 per case	Average £68.0 per case

		Lean review in progress
<b>Legal &amp; Democratic</b>	No figures available	
Legal		
Democratic - general		
Registration		
<b>Property</b>	No figures available at this high level	Benchmarking analysis being developed for Property Services including trading accounts

The majority of the above figures are reported in the various CIPFA Benchmarking groups that exist. A more robust exercise is currently being finalised that is being jointly managed between CIPFA and KPMG.

This exercise is benchmarking five specific areas; Finance, HR, ICT, Estates Management and Procurement. The final data will be available in mid December at which time it will be fed into the Medium Term process.

## EQUALITIES IMPACT ASSESSMENTS

The following impact assessments have been completed. Each of these can be found on the Council's web site at the following location ...

<a href="#"><u>Anti Fraud &amp; Whistling Blowing (77kb)</u></a>	<a href="#"><u>Community Safety and Drugs Partnership</u></a>
<a href="#"><u>Communications PQ Team Finance (75kb)</u></a>	<a href="#"><u>Procurement Contract Letting Procedures</u></a>
<a href="#"><u>Business Continuity Plan (67kb)</u></a>	<a href="#"><u>Procurement Strategy</u></a>
<a href="#"><u>Bath City Liaison Forum (67kb)</u></a>	<a href="#"><u>Procurement</u></a>
<a href="#"><u>Contract Tender Process (65kb)</u></a>	<a href="#"><u>Harassment and Bullying Policy</u></a>
<a href="#"><u>Council Tax Booklet Finance (76kb)</u></a>	<a href="#"><u>Probationary Policy (59KB)</u></a>
<a href="#"><u>Email and Internet Policy (67kb)</u></a>	<a href="#"><u>Sickness Absence Policy (68 KB)</u></a>
<a href="#"><u>Engagement of Consultants (79kb)</u></a>	<a href="#"><u>Recruitment and Selection Policy (61 KB)</u></a>
<a href="#"><u>Equalities Training PQ Finance Team (69kb)</u></a>	<a href="#"><u>Professional Registration Policy (54 KB)</u></a>
<a href="#"><u>Finance Automated Reports (66kb)</u></a>	<a href="#"><u>Organisational Change Policy (65KB)</u></a>
<a href="#"><u>Finance Complaints Procedure (70kb)</u></a>	<a href="#"><u>Leave Policy (58KB)</u></a>
<a href="#"><u>Finance Web Pages PQ Team (76kb)</u></a>	<a href="#"><u>Induction Procedure (216KB)</u></a>
<a href="#"><u>Financial Plan Budget Reports (77kb)</u></a>	<a href="#"><u>Incapability Policy - Performance(56KB)</u></a>
<a href="#"><u>Freedom of Information Policy (68kb)</u></a>	<a href="#"><u>Flexible Working Policy (38K)</u></a>
<a href="#"><u>Lone Working out office &amp; Weekend Working PQ Team Finance (67kb)</u></a>	<a href="#"><u>Disciplinary Policy (64KB)</u></a>
<a href="#"><u>Risk and Opportunity Management Strategy (67kb)</u></a>	<a href="#"><u>Corporate Training and Development</u></a>
<a href="#"><u>QPR PQ Team Finance Services Support (66kb)</u></a>	<a href="#"><u>Confidential Reporting Policy (56.5 KB)</u></a>
<a href="#"><u>Team Meeting Finance PQ Resource Planning (81kb)</u></a>	<a href="#"><u>Code of Conduct (54KB)</u></a>
<a href="#"><u>Training Finance Support Service (85kb)</u></a>	<a href="#"><u>Appeals Policy - Employment (59.5 KB)</u></a>
<a href="#"><u>Custom &amp; Practice Adult SS&amp;H (70kb)</u></a>	
<a href="#"><u>LAA process with action plan</u></a>	
<a href="#"><u>Commissioning Strategy 2009-12</u></a>	
<a href="#"><u>Refresh of Sustainable Community Strategy 2009-2026</u></a>	

Service Action Plans services will identify actions they are taking as a result of the EIAs and a list of assessments needed in 2010/11

## **CHANGE PROGRAMME FUNDING**

This is set out in the Council's main Budget Report as approved in February.

## Appendices

### Carbon Management Plan

The Carbon Management Plan sets out the Council's aim to reduce CO2 emissions from Council operations by 30% by April 2014 from 2007/08 levels

This is essential to meeting the corporate priority "tackling the causes and effects of climate change" and is required to meet the following:

- LAA priority target NI185 – Percentage CO2 reduction from LA operations.
- Ensuring that potentially large fines are avoided under the Carbon Reduction Commitment
- Demonstrating the level of organisational commitment to enable effective community leadership around the overall Community Carbon reduction need (National Indicator 186)

### Project Description

By working with the Carbon Trust on the Local Authority Carbon Management Programme, the Council has embarked on an active carbon management and accounting plan. The Plan details a clear breakdown of Bath & North East Somerset Council's CO2 emissions and lists practical projects that will reduce CO2 emissions. The actions within this plan will also mitigate the effects of rising energy costs that, in the current energy market, are a growing concern for the authority.

In February 2009 Bath & North East Somerset Council agreed to establish a Carbon Management Fund to be used for funding schemes or activities which will contribute to the achievement of the Council's climate change and carbon reduction target.

Investing in carbon reduction projects now will protect the Council from increasing energy costs. In 2007/08 the Council spent £4.8m on energy. If we don't do anything to reduce energy consumption, we will see annual energy costs rise to between £6.9m to £11.6m by 2014. Achieving the 30% in carbon emissions would lead to cumulative savings over the five year period of between £5.7m and £8.3m against the business as usual scenario.

### Programme

The Council Budget approved the funding in Feb 09 with sign-off of the process and projects delegated to the Chief Executive, S151 Officer in consultation with the Cabinet Member for Resources. The procedure and first batch of projects were approved by in July 09.

Following approval of the funding in February 2009, guidance and forms have been developed by Sustainability and Finance in line with the aims of the Carbon Management Plan. The funding procedure has been approved by Divisional Directors' Climate Change Management Group (DDCCMG)

## **Financial Implications**

The Budget for 2009/10 was agreed in February for a total of £482k. This comprises of two pots, £282k from Invest to Save, and £200k which is a pump priming Support Fund.

In order to continue the programme investment of similar amounts will be required over the next 4 years.

## **Risk management**

The key risk is that sufficient carbon reduction projects are not developed or delivered by the stakeholders. Failure to implement projects will be escalated to the all party Climate Change Advisory Group

If investment is not made to reduce carbon emissions there will be financial penalties and fines under the Carbon Reduction Commitment. The Council's Carbon Management Plan sets out ways in which the Council will reduce its carbon emissions.

## **Key stakeholders**

Responsibility for delivering the projects spans a large number of services : Building Consultancy - Property Services; Energy management – Property Services; Fleet; Highways; Education; Schools; Aquaterra and Sustainability.

The cross-party Climate Change Advisory Group has overseen the development of the Plan over the last 18 months.