
DEVELOPMENT OF APPROACH FOR BUDGET ADVISORY PANELS

**Responsible Cabinet Member - Councillor Stephen Harker
Efficiency and Resources Portfolio**

Responsible Director - Ada Burns, Chief Executive

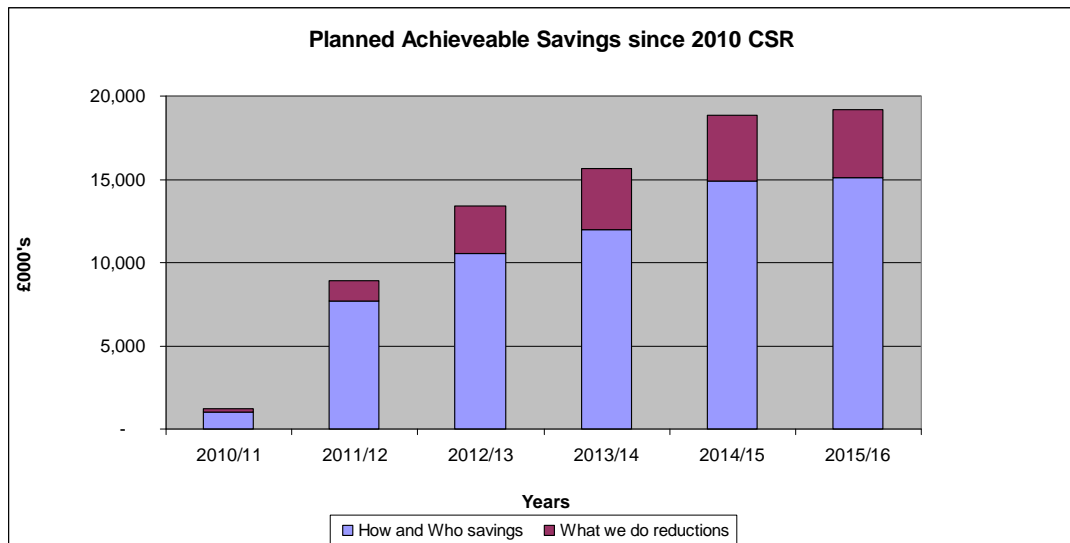
SUMMARY REPORT

Purpose of the Report

1. To recommend an approach to the development of the Council's service delivery priorities and accompanying 2014/15 Medium Term Financial Plan.

Background

2. The Council anticipated and started preparing for reductions in public spending from 2009/10 when it agreed the Business Model
3. In the intervening period, income to the Council from the Government will have fallen by 26% or £18.2m by 2014/15. During the same period, there have been significant pressures on other sources of income and on demand for services, in particular, in Children's Services.
4. The focus of effort has been to reshape HOW the Council operates so that impacts on operational service delivery are minimised. The diagram below illustrates the split to date, between HOW and WHO delivers and WHAT the Council delivers.



5. However, as a small Council Tax base and serving a small population, "efficiencies" are not inexhaustible. The Council now has reached a point where, in planning for the 2014/15 MTFP, it must take stock of what can be delivered to the people of Darlington.
6. Local Authorities have in excess of 1,300 statutory duties to perform and these clearly will be at the core of a redefined service offer. However, the Council also undertakes functions of a discretionary nature, which add to the quality of life and economic competitiveness of the town and borough.
7. The Council, in consultation with the public and its partners, needs to determine, over the coming six months, what it will still deliver and how best One Darlington, Perfectly Placed can drive activity.
8. The report sets out an approach to the first steps on this journey. It is intended that the output will be four categories.
 - (a) One – Estimate the minimum provision as set out in legislation and the minimum cost.
 - (b) Two – Identify where there is a Business Case to continue services, for example, where services save money or generate income.
 - (c) Three – Identify enhancements to the quality or impact of services where there may be financial scope for this.
 - (d) Four – Identify discretionary services to continue where there may be financial scope for this.
9. On conclusion of this phase of work, the Council will need to examine available resources, including its strategy for Council Tax and income generation.

10. And finally, the Council will develop a Plan, including the MTFP for formal public consultation.
11. Given the importance of the decisions the Council will be asked to take in the coming year, Cabinet have indicated that they wish the deliberations to be in public, open to public input and involving all Members regardless of political affiliation.

Recommendation

12. It is recommended that Cabinet agree the approach to determining the Council's service "offer" and MTFP for 2014/16 :-

Reasons

13. The recommendations are supported by the following reasons :-
 - (a) There is a need to have a transparent process to draw up the next series of spending reductions.
 - (b) The scale of reductions require consideration of the Council's ability to meet its statutory obligations over the life of the next MTFP.

**Ada Burns, Chief Executive
Chief Officers Executive**

Background Papers

No Background papers were used in the preparation of this report

Ada Burns : Extension 2011
BAH

S17 Crime and Disorder	No direct impacts from this report
Health and Well Being	No direct impacts from this report
Carbon Impact	No direct impacts from this report
Diversity	No direct impacts from this report
Wards Affected	No direct impacts from this report
Groups Affected	No direct impacts from this report
Budget and Policy Framework	No changes as a result of this report
Key Decision	No
Urgent Decision	No
One Darlington: Perfectly Placed	Will be a key influence on the process but there are no impacts as a result of this report
Efficiency	The process described will aid the Council in maximising efficiency

MAIN REPORT

Information and Analysis

14. It is proposed that the work to identify the four categories of Council activity takes place in meetings named Budget Advisory Panels.
15. Officers will work through all areas of the Council's budget to categorise services and budgets into four groups :-
 - (a) What we have to do (eg legal requirement) at the cheapest way of doing it.
 - (b) What there is a business case for: makes money or clearly saves money.
 - (c) Adding back in some of the current policy and practice in services within the minimum.
 - (d) The 'discretionary' services we currently do but don't have to do
16. These groupings of services will be presented to the Panels and subjected to scrutiny and challenge, including external input as described below.

How many Panels will there be and what services will they review?

17. To avoid panels becoming too service specific it is proposed that panels cover a variety of services from various areas of the Council. This also has the advantage of enabling Members to have the opportunity to look at areas outside of their current Cabinet/Scrutiny portfolio.
18. To deliver this approach and to ensure a balanced and manageable workload for each panel, it is proposed that there are four Panels that cover the following services :-

Panel 1

- (a) Adult Social Care and Supporting People and non HRA Housing
- (b) Leisure and Culture

Panel 2

- (a) Children's Services
- (b) Highways and Design

Panel 3

- (a) Environmental Services
- (b) Corporate Management and Democracy - Senior Management, Members, Democracy, Corporate Costs and Corporate Support

Panel 4

- (a) Resources Support Services - Legal, HR, Finance, ICT, Corporate Landlord, Customer Services
- (b) Public Health
- (c) Place Policy and Regeneration

Membership of the Panels

19. Although all Members can attend any meeting, the following permanent membership of each group is proposed :-
- (a) Leader of the Council to Chair each meeting
 - (b) Relevant Cabinet Member (s)
 - (c) 11 or 12 Scrutiny Members who will be allocated a panel each.

Attendance at Panels by Non-Council Members

20. Given the scale of impacts that the next MTFP will have on services that are well used and much valued, it is important that the process of determining what remains is as open and transparent as is reasonably practical.
21. It is therefore proposed that they are open to the public and that service users, members of the public, partners and other stakeholders are able to attend and participate. The operation of the meetings will be flexible to ensure maximum engagement and understanding. The culture could be described as *we want to hear from you to help us make the best decisions we can* “

Panels Basic Agenda/Structure

22. Introduction and scene setting from the Chair.
23. A presentation at the outset of the meeting explaining :-
- (a) The process being undertaken
 - (b) The outcomes required of the meetings
 - (c) Overview of aims and design of current services
 - (d) The proposed minimum services level for the service
 - (e) By default the services that go into the non-minimum service lists
24. An opportunity for the public, user groups or other stakeholders to question the presentation, provide comments or experience.

25. Debate and challenge from Members on the proposed groupings of service levels’.
26. Papers for meetings will be available in advance of meetings so the public can gauge their interest in attending.

Employee and Trades Union Engagement

27. It is key that the workforce have an opportunity to input to the process, clearly they may attend public meetings however it is proposed that focus groups are held within each division to review the draft presentation material prior to BAP’s. It is proposed that comments from these sessions are fed into the presentation material or, where contested, provided in written format to the Panels.

Key Partners

28. There are many partners who will be impacted upon by the service changes that will flow from the MTFP, and some who are in a position to be part of mitigating the impacts on the public. It is proposed therefore that the following partners are briefed *prior to the BAP’s* about draft presentation material and where appropriate contribute to the process :-

- (a) Police
- (b) CCG
- (c) Durham & Darlington NHS Foundation Trust
- (d) Fire

This is in addition to the main programme of consultations with partners and also with key suppliers.

Meeting Times, Frequency and Venues

29. To ensure maximum attendance it is currently proposed to use Central Hall at 6-8pm. Initially it is envisaged that there will need to be three meetings of each panel. The timeframe for the panels is May to July. Clearly Members will do work outside of the meetings to inform the panels. As part of the overall engagement strategy, work will be undertaken to identify ways of ensuring access for excluded groups and meetings will be advertising in advance.

Conclusion

30. The process outlined in this report will inform the MTFP 2014/15. More importantly, it will inform the role and future of Darlington Borough Council as it wrestles with an unprecedented set of financial challenges.
31. The Council is open to scrutiny and challenge in its transformation programme to date and has asked the Local Government Association (LGA) to undertake a Peer Challenge in early June. The scope of the challenge is outlined in **Appendix 1**.

Peer Challenge

Background

Introduced in 2011 corporate peer challenge is a core component of the Local Government Associations (LGA) 'Taking the Lead' strategy. Managed and delivered by the sector for the sector, the process is designed to help councils take responsibility for their improvement. The scope and timing of each challenge is agreed between the LGA and the Council to ensure it is tailored to local needs and priorities.

Every council has the opportunity to have one corporate peer challenge, at no cost, between 2011 and 2014. By May 2012, a total of 25 councils had received a corporate peer challenge and a further 70 had either been booked or were under active discussion.

The challenge process is very different from old CPA / CAA inspections, it is not rules based, has no template or scoring system, rather it relies on the expert judgement of the challenge teams. The process should be seen as an improvement tool, not as a means of providing public assurance and therefore in addition to five core components the challenge can focus specifically on issues identified by the participating Council.

Peer Challenges involve a visit of 3 – 4 days; for Darlington this is scheduled to take place over the period 4-7 June 2013.

Core components of the Peer Challenge are:

1. **Understanding of local context and priority setting:** Does the council understand its local context and has it established a clear set of priorities?
2. **Financial planning and viability:** Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
3. **Political and managerial leadership:** Does the council have effective political and managerial leadership and is it a constructive partnership?
4. **Governance and decision-making:** Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
5. **Organisational capacity:** Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

Areas the Council have asked the Challenge Team to consider:

6. Look at the actions already taken to deliver change and drive down costs
7. Test and constructively challenge current plans and proposals
8. Identify any other potential measures to manage down demand, reduce or deliver services in more cost-effective ways including through whatever delivery mechanism.

Darlington Peer Team

The Council has requested that the Peer Team be led by a Chief Executive, with an understanding and appreciation of the scale of the authority and of the characteristics of the place and ideally with a clear track record of having delivered transformational change or significant budget reductions.

Darlington's Peer Team will be:

- Barbara Spicer - Chief Executive Salford City Council
- Cllr Sir Merrick Cockell - Leader Royal Borough of Kensington & Chelsea
- Cllr Tudor Evans - Leader of Plymouth City Council
- Senior officer peer: with experience in change/ transformation and service redesign or in shared services – To be determined
- Senior officer peer: with experience in commissioning or outsourcing services - Michael Laing - Director Community Based Services, Gateshead Council
- LGA peer challenge manager - Marcus Coulson

The Council will manage the Peer Challenge as a project within the Transformation Programme.

Links to some background information on Peer Challenge Team below:

- Cllr Sir Merrick Cockell (Cons, Royal Borough of Kensington and Chelsea) was elected LGA Chairman at the Association's General Assembly on 28 June 2011. Sir Merrick has been Leader of the Royal Borough of Kensington and Chelsea since 2000. He was previously a member on the LG Group's (now LGA) Workforce Programme Board. Sir Merrick first became a Councillor in 1986. Further information: <http://www.guardian.co.uk/society/2011/jul/26/merrick-cockell-local-government-association>
- Barbara Spicer <http://www.salford.gov.uk/chiefexecutive.htm>

- Cllr Tudor Evans <http://www.thisisplymouth.co.uk/Tudor-Evans-100-days-office-blast/story-16864813-detail/story.html#axzz2K6rVtgCQ>
- Michael Laing
<http://www.gateshead.gov.uk/Council%20and%20Democracy/structure/cbs.aspx>