

Cabinet

A meeting of Cabinet was held on Thursday, 16th December, 2010.

Present: Cllr Ken Lupton(Chairman), Cllr Jim Beall, Cllr Mrs Jennie Beaumont, Cllr David Coleman, Cllr Robert Cook, Cllr Terry Laing, Cllr Mrs Ann McCoy, Cllr Mrs Mary Womphrey

Officers: N. Schneider (CE); J. Danks, P. Saunders, G. Cummings, B. Brown, A. Kelly, D. Hurwood, L. King, J. Spittle (R); J. Humphreys, P. Sellar, R. Kench (CESC); D. Bond, M. Henderson, M. Waggott, J. Trainer, G. Birtle, P. Mennear, A Duffy (LD); P. Dobson, R. MCGuckin, P. Diggins (DNS)

Also in attendance: Cllr Mick Eddy, Cllr Mrs Jean O'Donnell, Cllr Mrs Maureen Rigg

Apologies: Cllr Steve Nelson

CAB Declarations of Interest

112/10

Councillor Lupton declared a personal non prejudicial interest in the item entitled EIT Review – Youth Services, as he served on the Elmwood Community Centre Management Committee.

Councillor Laing declared a personal non prejudicial interest in the item entitled EIT Review – Youth Services, as he served on the Grangefield Community Centre Management Committee.

Councillor Mrs Beaumont declared a personal non prejudicial interest in the item entitled EIT Review – Youth Services, as she served on a Community Centre Management Committee.

Councillor Lupton and Councillor Mrs Womphrey declared personal non prejudicial interests in the item entitled EIT Review Sports, Leisure and Recreation, as they were members of the Tees Active Management Board

Councillor Beall declared a personal non prejudicial interest in the item entitled EIT Review – Customer Services and Taxation, as he was associated with the Charity Eastern Ravens Trust.

Councillor Mrs McCoy declared a personal non prejudicial interest in the item entitled EIT Review - Built and Natural Environment, as she was a Trustee of Shopmobility, which had interests relating to the Blue Badge Scheme

Councillor Mrs Rigg declared a personal non prejudicial interest in the item entitled EIT Review - Built and Natural Environment, as she had a relative who held a Blue Badge

CAB Youth Services - Report of Children and Young People Select Committee

113/10

Members considered a report that presented the findings of the EIT Youth Service Review undertaken by the Children and Young People Select Committee between February and November 2010.

The review formed part of a three year programme of EIT (Efficiency, Improvement and Transformation) reviews covering all services provided by the Council. The programme aimed to ensure that all services were reviewed in a

systematic way to ensure that they were provided in the most efficient manner, provide value for money and identify opportunities for service improvements and transformation. The Select Committee review examined the Council's universal youth services. The overall aims of the review were:

To identify options for future strategy/ policy/ service provision that will deliver efficiency savings and sustain/ improve high quality outcomes for SBC residents. Specifically:

- o Proposals on level of service to be provided taking into account the views of young people.
- o Identification of gaps in service and recommendations for addressing these.
- o Identification of resources to deliver myplace.

The Committee concluded that there was a wide variation in the quality of youth club facilities and attendances. The Committee also acknowledged that some clubs represented better value for money than others. There were also gaps in provision with uneven spread of provision across the week and a lack of provision at weekends. The Committee concluded that there was a compelling argument to reconfigure the service around a smaller number of quality centres. To assist in the reconfiguration, the Committee had developed a matrix which took account of attendance, footfall, footfall costs, potential reach and deprivation giving clubs a ranking according to individual factors and an overall ranking. The Committee had recommend that Cabinet take the matrix into account in making decisions about service reconfiguration in addition to any other relevant factors including available finance, geographical spread and wider youth provision.

The Committee also supported a "mixed economy" approach involving the statutory and third sectors, as they believed that this had demonstrated an effective model in a range of settings. The Committee concluded that officers should pursue opportunities for increased collaboration with the third sector and private sector in providing universal services.

The Committee also noted that targeted activities were demonstrating better value for money in terms of footfall and outcomes and concluded that it was important to protect delivery of targeted youth services, taking into account the impact of those services.

Following consideration by Cabinet an action plan would be submitted to the Select Committee setting out how approved recommendations would be implemented detailing officers responsible for action and timescales.

RESOLVED that:-

1. taking into account any emerging Government guidance and the impact of the comprehensive spending review, and recognising that targeted youth services have proven to be more effective and have provided better value for money and more positive outcomes for young people than universal youth services, delivery of targeted youth services be prioritised over universal services to ensure that this success is further enhanced.

2. recognising that there are currently a large number of universal youth club settings with several of these being poorly attended:

- a. the provision of universal youth services be reconfigured around a smaller number of high quality settings; those settings to be identified through the application of the matrix at Appendix 11 to assess sustainability based upon factors which include attendance, footfall, footfall costs, potential reach and deprivation;
- b. final decisions on service reconfiguration be made by Cabinet taking the matrix into account but also other relevant factors including available finance, geographical spread and wider youth provision;
- c. prior to implementation, Children and Young People Select Committee be consulted on the service reconfiguration at its meeting on 9 March 2011 (or earlier if appropriate), together with an action plan as part of the monitoring of the review.

3. premises/ lettings arrangements for youth activities be reviewed by the Asset EIT review to ensure they provide value for money.

4. contractual arrangements for youth services staff are reviewed in order to ensure consistency across the service, to implement single status and to move to more substantive contracts (i.e. increased hours) for youth service staff.

5. officers pursue opportunities, where appropriate and subject to funding, for increased collaboration with the voluntary and community sector and private sector in providing universal services, including consideration of commissioning opportunities.

6. serious consideration be given to pursuing a more flexible use of the capital funding for myplace to support youth service delivery across the Borough, if this is allowable under the terms of the agreement and further advice from Big Lottery and DfE and that, in the absence of this, the Select Committee recommends that the myplace development should not be progressed as it is presently planned.

7. the future involvement of young people on the Children and Young People Select Committee be formalised through the introduction of appropriate engagement mechanisms to be introduced for the 2011/12 municipal year.

8. subject to safeguarding issues, officers explore the further use of social media to engage with young people.

CAB EIT Review of Sport, Leisure and Recreation
114/10 - Report of Arts, Leisure and Culture Select Committee

Cabinet considered a report presenting the finding of the Arts, Leisure and Culture Select Committee following the EIT review of Sport, Leisure and Recreation.

The review examined services which aimed to provide a wide variety of high quality and accessible leisure and recreation opportunities for residents and

visitors to the Borough. These included Sports Development, Countryside and Greenspace, Parks and Countryside Management and Maintenance (Care For Your Area), Children and Young People's Strategy, and the relationship with Tees Active. The recommendations included a number of efficiencies and savings that had been identified, and also measured to undertake future work with the aim of reducing the level of the Council's Management Fee, that was provided to Tees Active.

A number of estimated savings would be achieved by the implementation of the Committee's recommendations. Recommendation 2 would produce savings of £122,924, recommendation 3 would save £25,000, recommendation 4 would produce savings of £15,000 and recommendation 5 would produce savings of £33,880. Recommendation 6 was subject to the generation of additional income from the delivery of the new business plans for Billingham Forum and Tees Barrage International White Water Course and would lead to a saving of 200,000 based on a reduction in the level of the Tees Active Management Fee provided by Stockton Council; the element linked to the consolidation of river-based activity on the Tees Barrage site (£100,000) would be realised from 2012-13.

Recommendation 1 was subject to further discussion however it was projected that the saving could be approximately £25,000. In relation to recommendations 7, 8 and 9, the precise level of savings that would be achieved was also subject to future work.

Following consideration by Cabinet an action plan would be submitted to the Select Committee, setting out how approved recommendations would be implemented and detailing officers responsible for action and timescales.

RESOLVED that

1. the Council should transfer management responsibility for Billingham Beck Valley Countryside Park and Cowpen Bewley Countryside Park from the Council to Tees Valley Wildlife Trust (TVWT), subject to agreement with TVWT, and that further consideration be given to the transfer of other countryside sites to alternative providers as appropriate;
2. the Countryside Ranger Service be reconfigured to focus on maintenance activities in future and therefore cease educational activity;
3. the £25,000 research element of the Countryside and Greenspace Professional, Consultancy and Hired Services budget be removed;
4. the Countryside and Greenspace Environmental Development budget be reduced by £15,000 per annum;
5. in line with the expected cessation of external funding streams for direct delivery, the Sports Development team should be reduced and re-focused in order to provide a service based on strategic commissioning as outlined in the report;
6. the efficiencies identified by Tees Active be supported, including the withdrawal from the Castlegate Quay facility (and its transfer to an alternative

appropriate river activity tenant) and consolidation of water-based and river-related activity at the Tees Barrage location, and staffing measures linked to the re-opening of Billingham Forum;

7. a further review of Tees Active's financial position be undertaken in the summer of 2012, once the full earning potential of the new facilities has been realised and allowing for a full year of trading in the new facilities, with the expectation that further reduction in subsidy would be realised from April 2013;

8. Further work be undertaken in order to explore the options for the joint commissioning of Tees Active in partnership with one or more Tees Valley local authorities.

9. if, following implementation of the measures in relation to improving trading (recommendation 7), and joint commissioning (recommendation 8), the consequent reduction in the Council's subsidy to Tees Active is insufficient, consideration should be given to options for service reduction.

CAB 115/10 EIT Review - Built and Natural Environment - Report of Environment Select Committee

Members considered a report by the Environment Select Committee. The Select Committee had examined four areas of the Built and Natural Environment services and applied the EIT processes to determine where changes should take place within the Blue Badge Scheme, School Crossing Patrol Service, Urban Design Team, and Car Parking.

Blue Badge Scheme

The Disabled Persons' Parking Badge Scheme provided a national arrangement of on-street parking concessions for severely disabled people who are unable, or find it difficult, to use public transport. The Regulations governing the Scheme gave local authorities the discretion to charge an application fee, but this could not exceed £2. In Stockton Council the staffing, stationary, and the purchase of badges had been calculated to cost £28 per badge. Some additional income could be realised by the Council providing the photo's required for the Blue Badges.

Sunderland City Council provided information to the Committee having used 'Lean Processing' to improve the speed of providing Blue Badge assessments, which in turn was improving customer satisfaction. The overall savings could not yet be quantified although based on the estimated cost of processing the fee Sunderland were expecting savings of at least £85,800. A proportion of the saving was due to the loss of an Occupational Therapist whereas Stockton Council, along with 10 other north-east LAs, utilised GP assessments and therefore would not see such savings.

School Crossing Patrols

Stockton Borough Council had responsibility for the School Crossing Patrol service which consisted of; 1 Road Safety Officer, 3 Senior Patrollers, 2 Mobile Patrollers and 54 Static Patrollers at annual cost of £350,000.

The service was operated in accordance with the adopted National Guidelines for the operation of School Crossing Patrols. The National Guidelines provided a clear procedure for determining whether a School Crossing Patrol site was justified.

It was explained that 35 sites met the numerical criteria and had no Alternative crossing facility. The National Guidance also stated that School Crossing Patrols should not operate on a light controlled crossing unless there were exceptional circumstances. 17 sites met the numerical criteria but operated on light controlled or zebra crossings and 6 sites no longer met the criteria but were served by a School Crossing Patrol.

Cabinet was informed that the Select Committee was recommending the closure of seven school crossing patrol sites, where a puffin or pelican crossing was available or where the site no longer met the numerical criteria. Cabinet noted the sites concerned.

- Oxbridge Lane/Marlborough Road (Oxbridge)
- Yarm Road/St Peters Road (Oxbridge)
- The Green/Duckpond (Norton)
- Yarm Road/Butts Lane (Yarm)
- Thornaby Road/Windsor Road (Thornaby)
- Thorntree Road/Humber Road (Thornaby)
- Norton Ave/Recreation Ground Entrance (Norton Grange)

It was explained that all sites were resurveyed every 3 years. Where a new development was to take place it was suggested that S106 agreements could be used to secure a puffin or pelican crossing was established rather than introduce a School Crossing Patrol. The Committee was eager for a policy to be developed that would ensure that this occurred in the future.

Urban Design

The Urban Design team was formed in 2006 as part of a re-organisation bringing together engineering and landscape architects professionals. The team provide a co-ordinated input into the planning service on aspects ranging from transport to renewable energy.

Urban Design was funded partially from revenue budgets with other fees being generated via a Trading Account. The main areas of fee generation supporting the Trading Account came from Planning Services, Regeneration, plus Countryside & Green Space within Direct Services.

Urban Design's corporate work included servicing council wide activities and responding to Elected Member/Planning Committee. Although such activities were not fee earning they had to be absorbed within the overheads which formed part of the hourly rate for fees. Management Structure and Corporate overheads also had to be included in the total fee recovery, which further increased the hourly rate. The trading activity required that Urban Design not only covered its costs including overheads but also returned an operational surplus to the Council.

The Committee believed that reduced fees following a review of the trading account arrangements with a view to bringing the service into a revenue funding position could improve the competitiveness and provide a compliance service to Tees Valley Unlimited and other Local Authorities. Both TVU and other Tees Valley Authorities used a mix of temporary staff, private practices or other external agencies to assist in the delivery of their design services.

Car Parking

The car parking service was a non-statutory service. Management of public parking facilities assisted with traffic management and environmental improvements. The on-street facilities (typically those located by the kerbside) and off-street facilities (within car parks) were distributed throughout the Borough. The facilities were paid for completely by the motorist with cross subsidy of non-charging car parking spaces by charging ones currently entirely located in Stockton Town Centre. Maximum lengths of stay restrictions were generally structured to promote short-term parking and high turnover of spaces in town centres, but a degree of long-term commuter parking permitted in the outer areas.

In 2009 Stockton Council carried out a consultation exercise asking for opinions on a range of options for the potential of improving parking in Yarm Town Centre. The Committee, taking into consideration the requirements of the EIT process, balanced with the Cabinet decisions following the consultation was keen to see parity across Stockton Borough wherever possible. With car parking charges payable in Stockton Town Centre it was considered inequitable not to charge in other town centres in the Borough.

The Committee was keen to ensure that any introduction of charges could be 'ring-fenced' thereby guaranteeing the positive use of raised income. Members wanted to see monies used to improve car parking services and public transport investment so as not to negatively impact on Yarm High Street.

Cabinet requested that details of existing school crossing patrols be forwarded to all Members on a ward basis, together with details of the criteria used when determining the justification for a School Crossing Patrol.

During consideration Councillor Mrs Beaumont indicated that she considered that recommendations relating to car parking should be worded in a different way and she objected to the specific references to Yarm within them.

RESOLVED that:-

Blue Badge Scheme

1. a simplified model for applying for a Blue Badge similar to that operated by other local authorities be introduced.
2. that an additional charge (initially £3) for the production of a digital photograph to be used on a Blue Badge be added to the administration charge levied.

School Crossing Patrols

3. the seven School Crossing Patrol sites identified where a puffin or pelican crossing are available or where the sites no longer meet the criteria are closed.
4. six further sites identified be surveyed to assess their position against criteria and are closed if appropriate.
5. a policy be developed to ensure S106 agreements can secure the establishment of a puffin or pelican crossing rather than introduce a School Crossing Patrol where necessary.
6. annual surveys be conducted at all sites to determine if they meet national criteria.
7. annual surveys determine the number of unaccompanied children using School Crossing Patrol sites.

Urban Design

8. a review be undertaken of the trading account arrangements with the intention of bringing the service into a revenue funding position.
9. that a review is undertaken of corporate and management overheads and requirement for operational surplus to reduce fee rates to make Urban Design even more competitive in its service delivery and compliance with Local Authority regulations for any services provided to Tees Valley Authorities.
10. a management review of staff roles be undertaken where there are clear synergies with those of the Countryside Team, with a view to achieving further efficiency savings.

Car Parking

11. further work be undertaken in order to consider the structure of car parking charges in Stockton Town Centre, which would also include Blue Badge users.
12. long stay car parking charges at Yarm Rail Halt be introduced.
13. accepts the principle of charging for car parking in Yarm and that it be introduced as part of a wider review of car parking charges across the Borough.
14. income generated by car parking charging in Yarm contribute towards the provision, maintenance and security of car parking facilities and other public transport measures.

Councillor Mrs Beaumont requested that her name be recorded as voting against resolutions 11, 12, 13 and 14.

CAB **Finance Task & Finish EIT Review** **116/10**

Members considered a report that presented the findings of the officer led Task and Finish Efficiency Improvement and Transformation (EIT) Review of Finance,

which comprised of three elements: Internal Audit, Risk Management and Insurance and Finance. The first two elements were classified as part of the governance arrangements of the Council. The third element included strategic forward planning and utilisation of the Council's financial resources.

Internal Audit examined a number of options, and concluded that the proposed way forward was to reduce the numbers in the section by not filling vacancies. This would result in the Chief Internal Auditor not being replaced in July 2011 when he retired. There would be a need to fill the role and had a section lead, and this would be accomplished by merging the section with the Financial Planning section, with the current Chief Financial Planner taking responsibility for managing both teams. The change would result in savings of £91,000 for a full financial year, which would not all be fully realised until 2011/12. In addition the new role of the Chief Financial Planner would need to be assessed against the job evaluation criteria and there might be a cost implication to this.

Risk Management and Insurance identified that the establishment was reduced to 6.2 full time employees in December when one of its officers left and was not replaced. This was in comparison to an original establishment of 8.0 full time employees. In these circumstances it was not proposed to make any further reductions at this moment in time. It was anticipated more focus would be needed on risk management and insurance during the next financial year. In June 2012 the Corporate Risk and Insurance Manager would retire, and it was recommended that a further review of this function took place to determine whether any changes should occur at this time. At the current level of savings proposed, the £91,000 compared to the total budget for Risk and Audit of £522,000 equated to 17%.

Finance would review processes, procedures and structures, consider co-location, eradicate practices which did not add value, and reduced the establishment accordingly. The service operated with an establishment of 63 full time employees, had 5.7 vacancies and this was expected to reduce further in order to generate savings of £276,000. Detailed structures would be developed and those savings would be generated throughout 2011/12. This would generate a 15% saving, however, if the efficiency target was taken into account, this would equate to a reduction of 24%.

The conclusion of this review was presented to the Arts, Leisure, and Culture Select Committee on 24 November 2010 for comment. The Committee's comments were all favourable, and all the recommendations were agreed.

It was anticipated that the recommendations would result in budget savings of £367,000.

RESOLVED that:-

1. the Internal Audit section be reduced in size and amalgamated with the Financial Planning section.
2. there be no change to the Risk Management and Insurance function at this moment in time. A further review of the function to be undertaken in 2012 when the Corporate Risk and Insurance Manager retires.

3. the Finance service's main focus would be strategic financial support, stewardship and direction to the Council and would rationalise routine functions which were not considered to add value. The service be restructured and reduced in size to reflect standardised and simplified procedures, removal of functions, and the impact of changes associated with financial planning and the roles and responsibilities of the Head of Finance & Assets and Head of Finance, Procurement & Performance.

CAB **EIT Review of Devolved ICT**
117/10

Members considered an Efficiency, Improvement and Transformation Task and Finish Review. The review had concentrated on the Schools Information and Communications Technology Unit (SICTU) and members were provided with an overview of that service. It was noted that SICTU provided technical support to primary and secondary schools, which had bought into the service.

Members noted the current situation with regard to schools funding.

The review concluded that SICTU was clearly a Council in-house technical ICT function which sat outside the main ICT service. It's functions were a sub-set of those provided by Xentrall ICT Services i.e. application and technical support. Xentrall and SICTU already had a working relationship through the provision of some Council ICT services to schools e.g. Agresso. The separation of the two services and differences in technologies could cause problems in the implementation of those services.

The funding pressures facing the service, both in terms of school's Service Level Agreement and the ICT architecture, which underpinned all school's services, meant that the current model for provision was destined to change. Incorporating SICTU within Xentrall ICT would increase the capacity to manage change of ICT provision within schools and provide a platform, which could more readily cope with an expansion or contraction of the service. A review of architecture provision would also give rise to opportunities from an increase in overall scale, as had seen to be the case with the Stockton and Darlington partnership.

A transfer of SICTU into Xentrall ICT Services would seem a sensible direction of travel. The outline proposal therefore was to integrate SICTU as it currently existed into Xentrall ICT Services. However, due to the current funding uncertainties, it was felt that the best time to consider integration was during 2011/12. The process could then be undertaken in light of a clear funding arrangement for both SICTU and the underlying school's ICT architecture. To inform this process, consultation would start with School Heads to gain clarity over current and future ICT service & infrastructure funding and to seek views on the way forward.

As SICTU was self funding through SLA arrangements, there was no anticipated savings resulting from this particular EIT review at this time. Any pressure from schools to reduce SLA costs or significant efficiency savings gained at the centre would result in either reduced income from schools or lower operating costs. Based upon the current working arrangements with schools it was unlikely that significant savings could be made through a reduction in cost

base. However, as had already been shown, there were opportunities to proactively market the service wider outside of Stockton and it would be appropriate for the Xentrall brand to be used for this purpose. Any increase in income or reduction in cost would ultimately contribute to the Authority's medium term financial plan.

A potential integration with Xentrall also gave an opportunity to consider an integrated architecture for ICT provision to both Council and schools. As well as efficiencies of scale, an integrated architecture could provide increased resilience and also assist in the provision of services to schools. An integration of the two services would also allow a review of architecture to be considered in time for the renewal of the NGfL contract later in 2011/12.

Xentrall ICT Services had also been the subject of an EIT review and were planning to implement a new service structure in April 2011. Subject to consultation, the proposal at this stage would be to initially transfer the SICTU structure into Xentrall ICT unchanged during 2011/12. The service could then be monitored and an informed view developed on how to best integrate aspects of the service more fully.

RESOLVED that:-

1. the findings of the review be noted.
2. the Head of Support Services (CESC) consult with School Heads regarding the findings of the EIT review and the proposal to transfer the SICTU function into Xentrall Shared Services.

CAB 118/10 EIT Gateway Review of Administration, PA Support, Business Support and Performance Management

Cabinet considered a report which provided an update on progress made on the Gateway review of Administration, PA Support, Business Support and Performance Management ("The Admin Review"). The review was being undertaken to identify whether there were ways in which those "back-office" functions could be carried out more effectively across the organisation. The review, which was under the scrutiny of the Housing and Community Safety Select Committee, had identified a set of preferred options and the review team was working on a detailed set of recommendations for each of the preferred options with the aim of presenting final recommendations to Committee on 13th January 2011 and to Cabinet on February 17th. The preferred options had been designed to deliver the target of £1.3million (15%) annual cost savings.

The Admin Review was looking at the delivery of the following functions across the Council:

- General Administration
- PA Support
- Technical Administration
- Business Support and Performance Management

The definition of each of these 4 strands of the review was provided to members.

The review had identified 420.5 permanent FTEs who worked in roles primarily involved in the above functions. The review excluded a number of temporary posts and some posts currently covered by other reviews. The total annual salary cost of the identified staff was approximately £9million.

The review had considered a range of options for delivery of the back office functions and at a meeting of the Committee on 18th November agreed a preferred way forward for each of the 4 strands of the review. The review team was working up a set of detailed recommendations to deliver the preferred options. Cabinet was provided with details of the preferred options.

RESOLVED that the progress of the review be noted and final recommendations be considered in February 2011.

CAB **EIT Task & Finish Report**
119/10

Consideration was given to a report, which presented the options for efficiency, improvement and transformation savings within the Human Resources Service, including Health and Safety.

The service comprised 3 main areas of responsibility: organisational development, advisory services and health and safety and was delivered under the Head of Human Resources. There were 43.58 full time equivalent staff. The service was well regarded by customers and had achieved a number of external awards. It provided good value for money compared with similar organisations and had played a significant role in ensuring Employment Tribunal claims were kept to a minimum with only 6 cases (excluding equal pay cases) last year.

The impact, which the changes to the functions and finance of Local Government were having on the work of the service, now, and over the next 12 – 18 months, as EIT reviews were delivered, was taken into account. It was therefore recommended that a phased approach to achieving the efficiency savings required was taken. This phased approach was designed to deliver significant savings immediately whilst minimising the impact on those aspects of the service where demand was increasing.

In phase one, all vacant posts and hours would be deleted, the health and well being service including the back care programme would be reviewed, and opportunities for raising additional income including a revised Service Level Agreement with Schools in relation to the provision of the Health and Safety service would be explored. Phase 2 would involve investigating the possibility of partnership working with Darlington Council with whom some initial discussions had already been held.

If the additional income referred to in the report, or the partnership working with Darlington Borough Council, was not achieved then a further report would be brought to Cabinet to consider how additional savings could be accomplished.

Total savings of £322,000 were being sought, which amounted to 22.85% of the resource allocation to the Human Resources Service. This figure included target savings of 15% and the HR efficiency target for 2011/12. The proposals

under phase 1 achieved savings of 21.2% with Phase 2 potentially delivering savings of an additional 14% - 21%.

The scope of the review and the options for efficiency savings was considered by the Corporate, Adult Services and Social Inclusion Select Committee on 26th October and 7th December and they were supportive of the recommendations.

RESOLVED that:-

1. all vacant posts and vacant hours, on previously full time posts, within the Human Resources service, be deleted from the establishment.
2. the health and well being service including the back care programme, be reviewed.
3. the Council continues to explore opportunities for raising additional income including a revised Service Level Agreement with Schools in relation to the provision of the Health and Safety service
4. the Council investigate the possibility of partnership working with Darlington Council.

CAB **EIT Review of Procurement & Commissioning**
120/10

Cabinet considered an Efficiency Improvement and Transformation Review relating to the Council's Procurement and Commissioning review. It was explained that the scrutiny of this review had been undertaken by the Executive Scrutiny Committee.

At an early stage the review had identified a centralised approach to category management procurement for Stockton. This was accepted by Executive Scrutiny with a request for a further report to detail how this principle would be practically implemented. In undertaking this consideration, due regard was given to the current circumstances facing local authorities and their public sector partners. In particular the impact of future budget reductions and organisational change. It had therefore been decided that a phased approach to implementation was the most sensible solution, thus ensuring officer resource capacity was not overstretched. A schedule detailing suggested phasing was provided and Members noted the rationale associated with that phasing.

Cabinet was provided with brief details of how the centralised approach would operate for Corporate categories and for Service categories and how performance would be monitored.

Members noted that the level of management information to support category management was not of the level required. To improve the collection and analysis of this information and market intelligence, it was intended to provide a post within the Corporate Procurement Unit that would undertake this task, and support the Category Lead in the Service categories. An officer currently in the Performance Management Unit of Resources Service would move to this spend analysis role for future Service category assessments.

RESOLVED that the proposed centralised approach to Category Management

in Procurement be adopted.

CAB 121/10 Task & Finish EIT Review-Democratic Services

Consideration was given to a report outlining the findings of the Officer Task & Finish EIT Review of Democratic Services originally programmed to be reviewed in April 2011 but brought forward due to the increasing financial pressure and desire to effect the proposed changes before the 2011 Elections. The review covered all areas within Democratic Services and realisation of any benefits arising would be expedited with recommendations implemented in year. Scrutiny of this review was undertaken by the Executive Scrutiny Committee, which endorsed the recommendations presented.

The service was made up of four service areas as follows:

- Democratic and Members Services Team
- Scrutiny Team
- Electoral, Civic and Community Engagement Team
- Efficiency Improvement Transformation

There were 20.5 FTE equivalents across the Division which operated from the Municipal Buildings and utilised a core budget of £741,000 and Corporate Budgets totalling £1,955,000.

The review followed the corporate approach taken which required that all reviews were conducted with equal rigour and as part of an overall corporate strategy. A review team was established at the outset to progress work and ensure the wider corporate policy implications and customer requirements were considered. The Director of Law & Democracy, the Corporate Management Team and the EIT Sub-Board had provided a Strategic overview and challenged the status quo. Elected Members supported the review through their roles as customers, policy makers and community representatives. A desk top exercise had also been completed to draw together appropriate consultation, benchmarking / performance data, financial appraisals and feedback from staff which had been evaluated and was presented for consideration. Details were also provided of the statutory elements of the service and the implications should the service not continue to be provided in its current form.

It was noted that many of the proposed recommendations were subject to further consultation with elected members, the views of which would be channelled through the Members Advisory Panel. The projected saving that could be achieved should each of the above recommendations be implemented would be approximately £60k, including the pass-porting of Area Grant Based Allocation of £15,393, the continuation of which into future years was subject to confirmation.

RESOLVED that:-

1. the Area Based Allocation grants amounting to £15,393 be retained as part of the Council's overall required savings.
2. subject to CMT and MAP approving the introduction of a summer recess period for Council/Committee meetings, the Head of Democratic Services be

authorised to consider the introduction of a system of annualised hours for Democratic Services staff and realise any financial savings that accrue from this.

3. subject to consultation with Members, the Council's approach to the hosting of its AGM be revised, as outlined, with effect from 2011 and MAP be invited to consider options to be presented regarding the future role of ordinary Council meetings..

4. Subject to full consultation with elected Members:-

- the Head of Democratic Services and the Head of ICT seek to introduce a standardised level of future IT support for Members;
- following the successful rationalisation of our printer estate within the authority and the introduction of secure 'follow me' printing from multi-function devices, local printers in Members homes be no longer supported;
- in line with Workwise principles, the amount of office accommodation provided within the Council offices be rationalised to reduce the amount of office space required in favour of more shared 'touchdown' facilities with concentrated workspace areas;
- advancements in IT technology be reviewed in the near future to see whether devices such as I-Pads, tablets etc can be introduced by the Authority offering longer term efficiencies leading to a reduction in the Council's Printing budget with less paper work sent to Members and the facility for Members to access all documents via a tablet, upon which notes can be made on the documents electronically.

5. attendance at the list of approved conferences be reviewed by the Members Advisory Panel.

6. Democratic Services, in consultation with each elected Member, be authorised to identify ward surgery venues that can be provided at no cost to the Authority, utilising more widely library and school buildings where appropriate.

7. the Business Case for transferring servicing of LSP meetings to Democratic Services be explored by the Head of Democratic Services.

8. Democratic Services deliver the further service improvements identified through independent assessment and inspection at no extra cost to the Authority within existing budgets.

9. support arrangements for the Tees Valley Joint Health Scrutiny Committee be reviewed (in discussion with other Tees Valley Authorities) with a view to removing the £5000 scrutiny support to Middlesbrough Council and providing scrutiny support on a rotational basis from within existing scrutiny budgets at Stockton.

10. the staffing arrangements regarding vacant posts be made permanent and any resulting savings be made permanent within the structure and budgets for Democratic Services.

11. future work be carried out to examine the civic function and how the current

staffing arrangements and roles can become multi functional to increase efficiencies whilst maintaining and improving the current service.

12. A new lease car for the Mayor be procured at an annual saving of £2,200.

13. The Head of Democratic Services continues to work with procurement to maximise the opportunities for savings in respect of electoral printing.

CAB **EIT Task & Finish Review of Customer Services & Taxation**
122/10

Consideration was given to a report that presented the findings of the task and finish EIT Review of Customer Services and Taxation. The review had been conducted to identify options for efficiencies, improvement and transformation within Customer Services and Taxation, which was part of the Resources Service Grouping.

The task and finish approach required reviews to be carried out over a shorter timescale and consequently the review focussed on service provision and identification of options for future service delivery and configuration, in particular:

- Identification of smarter ways of working through use of new technology and re-allocation of duties within teams/merger of teams to enable a service re-organisation; and
- Review of the discretionary rate relief policy to ensure that relief was targeted in a way that meets Council priorities.

Customer Services and Taxation were essential services that were being delivered efficiently and effectively and recording high customer satisfaction. However, there was scope for efficiencies that would contribute to the Council's value for money programme. Customer Services was a relatively new service area and still in transition as the Access to Services Programme was not yet fully implemented and legislative changes would impact in the future. A phased approach to the implementation of efficiencies in this area would allow new arrangements to settle and a full evaluation of resource requirements to take place in the medium term, thereby reducing the risk of an adverse effect on performance if changes were introduced too soon.

This review identified potential savings of minimum £157,700 per annum, spread over a phased implementation:

Following Cabinet approval, the next step would be to develop a detailed implementation plan.

The scope of the review and the options for efficiency savings were considered by the Corporate, Adult Services and Social Inclusion Select Committee on 26th October and 7th December and they were supportive of the recommendations.

RESOLVED that:-

1. Customer Services and Taxation be re-structured, the new structures to be in place by 1st June 2011 with estimated savings of £133,000 per annum.

2. the consultation exercise around the above restructure also include proposals for standardising the disparate contractual arrangements for Customer Service Officers.
3. a further review of Customer Services and Cashiers be undertaken in 2012/2013 by which time new technologies would be embedded and the new Stockton multi-service centre would be fully operational, thus enabling a more accurate assessment of the staffing resources required to run the service.
4. the revisions to the discretionary rate relief policy described at paragraphs 7 and 8 of this report be adopted with effect from 2011/2012 with a projected saving of £24,700 per annum.
5. the introduction of a trial scheme to “re-cycle” cases that had been returned by the Council’s main bailiff to an alternative bailiff.
6. work continue to exploit the potential of new technology to improve customer service in particular, further work be undertaken to develop a business case with regard to the introduction of SMS texting for inward and outbound interactions between Customer Services and residents.
7. the monthly Community Access Points currently held at Tesco stores in Ingleby Barwick and Durham Road cease, and (subject to agreement with store managers) be replaced with occasional promotions for specific events.
8. a channel access strategy be develop and rolled out which would outline the broad principles for the ways in which the Council will deliver its services through a range of accessible contact channels that provide value for money and will include a channel migration strategy designed to encourage customers to use cheaper channels, where appropriate.
9. opportunities for partnering with other Councils continue to be explored and evaluated as the impact of changes to the Benefits Service on any possible future partnering arrangement become clearer.

CAB **Q2 Improvement Report - Performance**
123/10

Cabinet considered a report that outlined progress against performance targets for the second quarter of 2010/11. It highlighted achievements against objectives in the Council Plan, the Local Area Agreement, the National Indicator Set, consultation activity undertaken, summary of Freedom of Information requests, complaints, commendations and comments received and provided an update on progress with Efficiency Improvement and Transformation (EIT), the staff suggestion scheme and the results of an inspection carried out regarding the Council’s arrangements for the acquisition of communications data under the RIPA legislation. A series of appendices had been prepared to support the report and provided members with a full picture of performance.

Members were reminded that there had been changes introduced to the requirements for the collection and monitoring of the National Indicator set, and it was expected that this would lead to a reduction in the measures and data sets that local authorities were required to collect and submit to Government Departments. Further clarification of the new arrangements was expected by

Quarter 3. Of the National Indicator measures where information was available, 64% (28 indicators) across all themes had achieved targets or were within the agreed tolerance set.

The Council continued to make good progress against the priorities and objectives set out in the Council Plan 2011 –13, with 75.5% of actions/targets set to be delivered or achieved.

The number of complaints was lower, and compliments and commendations higher, than the same period last year.

Cabinet noted the performance of refuse collection staff in recording only 0.23 missed bins per 100,000 collected, during quarter 2; a new record. Cabinet also noted the exceptional work undertaken by these staff during the recent severe weather conditions. Cabinet asked that its gratitude be passed on.

RESOLVED that the levels of performance and subsequent actions be noted.

CAB **Quarter 2 Medium Term Financial Plan Update**
124/10

Cabinet considered a report that provided Members with an update on the Council's current financial position, as at the end of September 2010. It also provided an update on the funding position of the Council following the Comprehensive Spending Review (CSR) and outlined the Council's approach to developing the Medium Term Financial Plan covering 2011 to 2015.

Members were provided with details of pressures currently being experienced by services and noted the Council's existing general fund balances and capital budget for 2010/11.

Members were reminded of previous reports that had outlined the difficult and challenging position facing local government and the level of uncertainty in planning following changes and funding reductions outlined as part of the CSR. Key headlines from the CSR were provided together with areas of uncertainty relating to grants.

It was explained that the Provisional Finance Settlement provided further information and impact on the reduction of Council funding of the CSR. It also reflected changes in Formula Grant calculations and provided some clarification on the Specific and Area Based Grants position. Key information from the Settlement was provided.

A key issue for Stockton was that the Settlement was for 2 years only. There was to be a fundamental review of local government finance in 2011 and it was expected that this would inform subsequent years.

The Council's MTFP had been reviewed and updated, based on the Provisional Settlement for the next 2 years, and future years had been estimated. Cabinet was provided with a table detailing the estimated budget gap of approximately £6.3 million in 2011/12 to £20.5 million by 2014/15. It was explained that in calculating the estimated budget gap a number of assumptions had been made. Details of those assumptions were provided.

Specific reference was made to pressures in Social Care where there had been a significant increase in numbers over recent years. Following an assessment of REIP programmes and funding, the Council had received some funding to invest in efficiency measures. An element of this funding would be allocated to work with the Voluntary and Community Sector to develop alternative models. The Council was also committed to continuing to support the voluntary and community sector through the development of a comprehensive package of financial and practical support, including an investment fund, a community fund and community network alongside the development of an Asset Transfer Strategy.

Members agreed that it was important that, by the time of the 2011/12 budget and medium term financial plan report, the Council could demonstrate a robust mechanism for resolving the deficit over the medium term. The Council would continue the managed approach to resolving the deficit. Members noted savings identified that could be incorporated into the MTFP and these included savings coming from the cancellation of Building Schools for the Future, organisational restructures, completed EIT Reviews.

Cabinet noted the effect delivery of the identified savings would have on the Medium Term Financial Plan. The remaining budget gap would range from approximately £3 million in 2011/12 to £12.9 million in 2014/15.

Members noted that there were a number of reviews to be undertaken as part of the EIT Year 3 programme, however, savings from these would not be sufficient to meet the remaining budget gap. Cabinet was reminded that a number of previous reviews had identified options for further savings, which could be considered if the Council's financial position dictated. It was recommended that Members implement those options, which would contribute a further £360,000:

- Minor amendment to concessionary fares policy, in line with the National Policy and Tees Valley Authorities if followed would save £60,000.
- Subsidised Bus Routes. The number of routes subsidised would reduce and this would save £300,000

These savings would contribute a further £360,000.

Members noted the reviews to be undertaken in the EIT Year 3 Programme. One of the reviews was in the School Improvement Service. The Service provided a number of services to schools, which were subsidised by the Council to the value of £600,000. It was suggested that this review includes within its remit the removal of this subsidy from the service and works with schools to consider and mitigate its impact.

The overall budget associated with all year 3 EIT Programme reviews was approximately £35m and for the purposes of the medium term financial plan a conservative estimated saving of £2.5m has been assumed from these reviews, given that these reviews include Safeguarding and Waste Management where both services were currently experiencing pressures.

Cabinet was provided with details of the effect these further potential savings

would have on the Council's MTFP. It was noted that there would still be a remaining gap across the MTFP, and there would, overall, be a need to reduce base budget by a further £9.5m by 2014/15.

Members noted other areas where further savings may be possible:-

- Partnering
- Areas of employees' terms and conditions
- Social Care Funding
- New Homes Bonus

It was explained that the Government had announced major changes in the way Area Based or Specific Grants grants would be administered. Members were provided with details of grants to be incorporated into new funding streams, grants confirmed as stopping and grants where further information was awaited.

Previous budget reports had identified potential 'one off' funding available for use in supporting the Council. It was recognised that this was one off funding and could not be used to support ongoing expenditure and whilst it could be used to supplement budgets in a particular year, it could not support ongoing budget gaps. The Council's one off funds currently available had been re-assessed:

	£m
Pension Reserve	3.3
Grant Exit Strategy reserve	1.5
PSA Reserve	1.1
	5.9

There was also a current surplus of £3.4m on the Councils Working Balances.

In addition, as reported in the 2010/11 budget report, the Insurance Fund could manage without the annual contribution of £1.9m for a period of three years, and this was therefore also available as one off resources.

It was likely that these balances would be required to balance the 2011/12 budget, currently estimated at £2.3m, to allow time to assess further funding announcements and allow time to deliver further budget savings. Given the potential transition costs, including redundancy payments associated with the reviews, the grant exit arrangements, and the potential requirement for invest to save schemes, it was strongly recommended that this resource be retained for this purpose.

Members considered the Human resource implications and given the extent of change and budget reductions it was considered that there would be a significant reduction in the number of posts. It was explained that approval of recommendations in EIT reviews being considered by Cabinet at this meeting would result in the reduction of approximately 100 posts, however, if the services associated with all of the grants at risk or unconfirmed ceased also, this could rise to approximately 250.

There was a well established consultation procedure in place in the Council, which required the involvement of the Trade Unions and employees in the

process. Cabinet noted that legally, an employer had to consult with appropriate representatives where they were proposing to dismiss as redundant more than 20 employees within a 90 day period. The consultation period was 30 days for 20 – 99 employees and 90 days for 100+ employees. Although consultation could be concluded earlier than the 30/90 day consultation period no redundancies could take effect until the consultation period had expired. In addition there was also a requirement to notify the Secretary of State, in writing, of the proposal before giving notice to terminate any contracts and at least 30/90 days before the first dismissal takes place. Although the number of potential redundancies was unknown at this stage it was expected that more than 100 redundancies were likely from the reports considered at this Cabinet. In this regard a 90 day consultation period with the trade unions would be required and it was proposed to commence this period on 17 December 2010. Allowing for meaningful consultation to take place the first redundancy dismissals would not take effect before 17 March 2011. This process would need to be repeated as further reviews identified preferred options which might lead to redundancy situations with the consultation period determined by the number of employees potentially to be made redundant over a 90 day period.

The potential redundancies impact across teaching and non teaching employees of the Council and as such terms and conditions associated with different groups needed to be managed. For instance, teaching staff had specific notice provisions, built into their contracts of employment, which meant that notice to terminate employment must end on or before 30 April, otherwise termination could not take effect before the 31 August. This would have further financial implications for the Council, as any savings realised would be for a part year only and in the case of grant funded posts where grants were withdrawn immediately, result in ongoing salary costs. Given the situation it was proposed that many employees affected by the EIT and Task and Finish reviews and grant funded jobs may need to be issued with an “at risk” letter. In the case of grant funded jobs this would include the grants where future funding was unconfirmed. This was not a notice of redundancy letter but merely explained the current situation and potential risk to an employee to keep them informed. The issuing of these letters needed to be considered on a service by service basis and should be with the agreement of the Head of HR. There were 270 posts currently funded by specific grants which could be withdrawn.

RESOLVED that:-

1. the financial position as at September 2010 be noted.
2. the approach to the development of the Medium Term Financial Plan for 2011-15 and endorse the efficiency plan proposed to cover the likely budget gap be agreed.
3. for grant funding at risk, grant exit strategies be developed with a view to services being stopped or reduced to reflect the reduced funding.
4. the continued support for the voluntary and community sector through the development of a comprehensive package of financial and practical support for the sector that includes an investment fund, a community fund and community empowerment network alongside the development of an Asset Transfer Strategy and the exploration of new models of delivery for social care.

5. the strategy for dealing with HR issues, outlined above and at Paragraphs 43 and 44 of the report to Cabinet,br noted.