

Committees:	Date(s):
Community and Children's Services Barbican Residential	10 October 2014 08 December 2014
Subject: Service Based Review Proposals – Department of Community and Children's Services	
Report of: Director of Community and Children's Services	For Decision

Summary

The Service Based Review aims to deliver sustainable savings and/or increased income in order to balance City Fund and City's Cash over the medium term. The proposals approved by the Policy & Resources Committee included a total of £844K or my Department towards this overall target and these are summarised below.

Service Based Review - Community and Children's Services and Barbican Residential Committee Budget Reduction Proposals					
	C'ttee	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Straightforward					
Repairs and Maintenance - Leisure Centre	CCS	10			10
Housing Service Strategy and Support running costs	CCS	12			12
Barbican recharges - office accommodation	BRC	10			10
Contingency budget for volatile and demand led social care	CCS	100			100
Commissioning - public health contracts	CCS	75			75
Catering contract transfer	CCS	20			20
Funding - to place 2 year olds in private sector	CCS	20			20
Admin - Housing Benefit	CCS		10		10
Income from Fusion Lifestyle	CCS		45		45
External Early Years	CCS		48		48
Income from Barbican Baggage Store	BRC			30	30
Sub-total		247	103	30	380
More Challenging					
Graduate leader and access to childcare training	CCS	40			40
Commissioning - Youth Service	CCS	60			60
Every Child a Talker - 25% reduction	CCS	10			10
Golden Lane Children's Centre	CCS	50			50
Foster placement costs	CCS			40	40
Commissioning - Better Care Funding	CCS			100	100
Barbican car parking	BRC			124	124
Staffing - Housing Benefit	CCS			40	40
Sub-total		160	0	304	464
TOTAL		407	103	334	844

Each of these proposals is outlined in Appendix 1. The Community and Children's and Barbican Residential Committees, being the main committees which oversee the work of the Community and Children's Services Department, are requested to review and endorse the proposals.

The Community and Children's Services Committee should review the proposals with the exception of those relating to the Barbican Estate and the Barbican Estate proposals should be reviewed by the Barbican Residential Committee.

Appendix 2 to this report sets out the more challenging savings that were put before the Policy and Resources Committee but were withdrawn when the Committee accepted an amendment from the Resource Allocation Sub Committee to reduce the level of challenging savings to £464K for this department

Recommendation:

Members are asked to endorse the savings proposals for the Department of Community and Children's Services.

Main Report

Background

1. The Service Based Review was initiated in 2013 in response to forecast City Fund deficits over the medium term which were due primarily to large reductions in government funding, and the expectation of future grant reductions for the foreseeable future. City's Cash was subsequently included as deficits are also being forecast for this fund over the medium term. The latest financial forecasts indicate deficits of £11m for City Fund and £4m for City's Cash by 2017/18.
2. The aim of the review is to deliver significant and sustainable savings and/or increased income in order to balance the two funds over the medium term. The overall target has been set at £20m by the Resource Allocation Sub Committee.
3. Between February and early June 2014, formal "challenge" meetings were held with every Chief Officer, conducted by a panel led by the Chamberlain and the Deputy Town Clerk. Chief Officers were requested to prepare a set of options, with a combination of efficiency savings, income generation and doing things differently, which were discussed at the meetings. Following these challenge meetings, the panel sought to meet with each Chief Officer and their relevant Committee Chairmen and Deputy Chairmen.
4. Savings proposals totalling £23m by 2017/18 were presented to the Resource Allocation Sub Committee's informal meeting on 28 June, subdivided into four categories:
 - a. straightforward cost reduction options: £11.2m of low risk and low impact cost reductions, including some headcount reductions;

- b. straightforward income increase options: £4.7m of income generation options; inherently higher risk than (a), of which £811k requires some investment;
 - c. more challenging efficiency /income options: £3.2m of cost reduction and £1.7m of income generation, where there may be a need for user consultation, or a potential reputational impact, and
 - d. further options: £2.1m - £2.4m, mainly involving service reconfiguration or longer-term change.
5. On 4 September the Policy and Resources Committee met to consider the savings proposals put forward by Chief Officers and agreed a package of savings that matches the challenge of finding at least £20m savings by 2017/18. The main outcomes were:
- That an agreed amount of spending reductions/income increases was set for each individual Chief Officer, starting from 2015/16, through to 2017/18. Rather than applying an across-the-board percentage cut, Members considered the proposals from each department separately, taking into account the different pressures each department faces and looking to protect certain functions.
 - To review a number of activities that cut across different departments: grant giving; the effectiveness of hospitality; operational assets; contract management; asset, facilities and project management; car parking in the City; filming; conference and business events; advertising, and the marketing of visitor attractions.
 - That more detailed investigations will be undertaken of certain service areas, looking at whether there are more efficient ways of delivering these services.
 - To review the level of the City Corporation's support for the three independent schools. This will also look at how this support fits with the City's new Education Strategy.
 - For further research to take place on three service areas identified for possible funding through Bridge House Estates.
6. The next steps were:
- Chief Officers to report to their Service Committees in the autumn on their detailed proposals as part of the budget setting process for 2015/16. Chief Officers have been asked to include in these reports reference to the suggestions made by staff for cost reduction or income generation.
 - Departments' proposals will be reviewed by Corporate HR to determine the likely impact on staff, and a report will be presented to the Establishment Committee in the New Year. Because the proposals will be phased over 3 - 4 years, there will be time to manage them carefully, and therefore minimise the staffing implications.
 - Reports on the potential for longer-term changes to specific service areas will be submitted to the Resource Allocation Sub Committee in December.
 - The Efficiency and Performance Sub Committee will take responsibility for oversight and monitoring of the savings reductions and the cross-departmental reviews.

- Proposals for the cross-departmental reviews will be submitted to the Chief Officers' Summit Group for approval. Regular reports will be made to the Summit Group and the Efficiency and Performance Sub Committee on the progress of the reviews.

Savings Proposals – Community and Children's Services Department

- The Policy and Resources Committee agreed savings proposals totalling £844K for my Department. As the main committees overseeing the work of my Department, the Community and Children's Services and Barbican Residential Committees are requested to review and endorse the proposals put forward. These proposals have been discussed with the Chairmen, prior to submission to the Policy and Resources Committee in September.
- The Community and Children's Services Committee should review the proposals with the exception of those relating to the Barbican Estate and the Barbican Estate proposals should be reviewed by the Barbican Residential Committee.
- The proposals are summarised in the table below with an outline of each proposal set out in Appendix 1.

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10. With regard to the eight more challenging options in the table above, the following explanations were provided to the Policy and Resources Committee:

i. Graduate leader access to childcare training - £40,000 2015/16

Currently separate training budgets are held to fund qualification training for practitioners in early years settings in order to meet government requirements for graduate level managers. Any potential future costs can be subsumed in the general training budget.

ii. Commissioning Youth Service - £60,000 2015/16

When the Youth Service was externally tendered in 2012/13 savings of over £200K were made. Rather than make all the savings immediately, a contingency of £60K was retained to be made available if it became clear that more than the originally specified services were required. However, after 18 months of successful operation, Officers are confident that the contingency is no longer required.

iii. Reduce 'Every Child a Talker' provision by 25% - £10,000 2015/16

This fund is designed to support children in early years settings whose verbal skills may not be advanced enough to easily move on to a primary school. The quality of our early years settings has meant that provision has been underspent regularly over the last few years

iv. Reduce reserved places at Golden Lane Children's Centre for children under the age of 2 - £50,000 2015/16

Income generated through the filling of these places makes it possible to reduce the funding set aside for this purpose.

v. Reduction in fostering costs - £40,000 2017/18

Reduce costs by negotiating reduction in foster placement costs and moving young people over 18 to semi-independent accommodation.

vi. Better Care Fund recommissioning - £100,000 2017/18

Working with LB Hackney and the Clinical Commissioning Group there may be more effective commissioning of Better Care Fund services which could allow transfer of funding from current City Fund expenditure.

vii. Housing Benefit staffing - £40,000 2017/18

The City of London Corporation currently subsidises this service so if it transferred away from local government (as planned in current legislation)

there will be savings. However, planned government changes may not take place or may be further delayed.

viii. Barbican Car Parking - £124,000 2017/18

There are opportunities to increase income for the car parks by further commercial lettings.

Staff Suggestions

11. During the Service Based Review process, staff were invited to submit suggestions for cost reduction and income generation. Four suggestions were made, asking us to consider contracting out the management of the Barbican Estate; review the services provided by Toynbee Hall; advertise the guest flats at Golden Lane and Middlesex Street at a market rent, and introduce an online way of managing car parking and storage space on housing estates.
12. We responded that there were many reasons, which went beyond our Department why the management of the Estate and its occupants was being retained; that the services being provided by Toynbee Hall were being reviewed in a competitive tender in 2015/16; and that we would explore the suggestion of advertising the guest flats at a market rate and introducing online management of car parking on housing estates, but could not be certain of making savings through these proposals at this stage.

Workforce Implications

13. The staffing implications of these proposals will be considered in conjunction with Corporate HR in accordance with the relevant HR procedures. Any required consultation and communication with staff will be included in the implementation plan.
14. Whilst we do not anticipate any reductions in FTE as a result of these proposals there will be some reorganisation to structure and required job roles.

Equalities Impact Assessment

15. Under the Equality Act 2010, all public bodies have a duty to ensure that when exercising their functions, due regard is given to the need to:
 - eliminate unlawful discrimination, harassment and victimisation, and other conduct prohibited by the 2010 Act;
 - advance equality of opportunity between people who share a protected characteristic and those who do not; and
 - foster good relations between people who share a protected characteristic and those who do not.
16. In advancing equality of opportunity public bodies also need to have due regard to the need to:

- remove or minimise disadvantages suffered by people due to their protected characteristics;
 - take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people; and
 - encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low.
17. Throughout the planning and implementation of these proposals we will reflect on how these proposals might affect people with protected characteristics (i.e. age, disability, gender transition, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sex orientation).
18. A full Equalities Impact Assessment will be undertaken as each proposal is fully scoped to ensure the agreed proposals do not discriminate against any social group and also promote equality wherever possible.

Next Steps

19. Following the decisions of the Community and Children's Services and Barbican Residential Committees on the proposals, the concurrence of the Resource Allocation Sub Committee will need to be sought to any suggested amendments.
20. Agreed proposals will be included in the 2015/16 Service Committee budgets to be submitted this autumn/winter.
21. Implementation plans will be developed by the Community and Children's Services Departmental Leadership Team.

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Appendix 1

Straight forward expenditure savings CCS

Reduce leisure centre repairs budget £10,000

The current contract has been running for three years and the level of funding required has been continually under budget

Reduce Housing Service Strategy and Support costs £12,000

The appointment of a Policy Development Manager has reduced the need for one-off pieces of consultancy work in this area

Reduce Director's contingency budget £100,000

The budget covers for fluctuations in social care demand but is no longer required at the current level

Recommission services through Public Health budgets £75,000

Services such as Sports Development and Portsoken Health and Community Centre management can be met partially from Public Health budgets rather than fully from City Fund

Transfer of catering contract to Sir John Cass School £20,000

Contingency budget no longer required

Remove funding available to place 2 year olds in private sector £20,000

There has been no requirement to place eligible 2 year olds in the private sector for some time as there are sufficient other places available.

Reduce Housing Benefit costs through new ways of working £10,000

Peaks in demand will be managed without recourse to funding additional temporary staff

Reduce financial support to external early years settings £48,000

Presently this funding supports the delivery of the Early Years Foundation Stage but all settings in the City are already judged Good or Outstanding so less support has been requested

Straight forward expenditure savings - BRC

<u>Increase charges for office accommodation</u>	£10,000
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Reductions in the space occupied by the Barbican Estate Office will lead to a reduced rent

Straight forward income generation - CCS

<u>Increased income from Fusion through profit share</u>	£45,000
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Usage of Golden Lane Sport and Fitness continues to increase. The centre will generate a profit share for the first time this year and this is anticipated to increase to this level by 2016/17

Straight forward income generation - BRC

<u>Increased baggage store capacity</u>	£30,000
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Demand for baggage stores still exceeds supply so increasing capacity will further increase income

More challenging expenditure savings CCS (see main report for description)

Graduate leader access to childcare training	£40,000
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Commissioning Youth Service	£60,000
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Reduce 'Every Child a Talker' provision	£10,000
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Reduce reserved places at Golden Lane Children's Centre	£50,000
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Reduction in fostering costs	£40,000
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Better Care Fund recommissioning	£100,000
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Housing Benefit staffing	£40,000
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More challenging income generation - BRC

Barbican car parks	£124,000
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Appendix 2

More challenging savings/income generation withdrawn following Policy and Resources Committee Decision

Reduce funding for Community Alarm scheme £15,000

Funding has been more than sufficient to meet demand but demand is expected to increase in future

Reduce staff costs in Supporting People Team £12,000

Peaks in demand will be managed without recourse to funding additional temporary staff.

Reduce staff costs in Occupational Therapy £20,000

Peaks in demand will be managed without recourse to funding additional staff.

Remove early intervention social work post £45,000

Share the responsibility for early intervention amongst remaining social work staff.

Reduce Barbican staff costs £60,000

Reorganisation of current team.

Reduce Barbican maintenance costs £40,000

Reduction in maintenance tasks in common areas.

Reduction in Housing Grants to external organisations £10,000

Grants to externally provided services from Providence Row and Guinness Trust.

Cease the small grants scheme £20,000

Use other budgets to fund community support initiatives.

Reduce contribution to Operation Poncho £16,000

Street cleansing no longer part of the programme.

Reduce 'Every Child a Talker' provision by further 25% £10,000