


Hard Choices | Big Decisions
have your say in the future of your services




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Independent Budget Review – Opening Remarks – July 2010

“Many will find this report uncomfortable reading. The Panel was asked to make recommendations on options that the Scottish Government and the Parliament should consider in the face of the most challenging public spending environment since the Second World War. This is not simply a matter of balancing the books and managing finances. It involves real people, their lives, their families, their hopes and aspirations. However, difficult choices will have to be made. There are no “quick fixes” or “silver bullets”.

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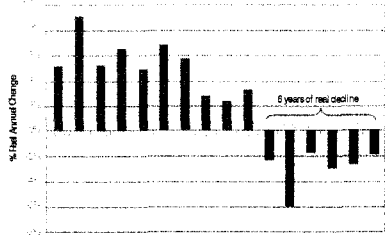
Source of the problem



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Scale of the Problem

Estimated Change in Scottish Government Expenditure



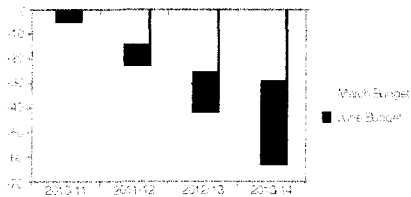
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Reaction to the problem



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Additional UK Expenditure Savings



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Impacts on Scotland

ODP forecast
£ per person of per year

Advisers' Forecasts:
 • SG Chief Economic Adviser
 • IFS
 • CPPR

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Key Message for NLC

- Cuts are coming faster and will be deeper

Year	Cuts per person per year
2010/11	-25
2012/13	-55
2013/14	-80

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Timetable

Package of Savings Options (£72.5m) considered
9 September by Policy & Resources Committee

Consultation Programme 16 September – 22
October

Special Policy & Resources and Council Meeting
25 November to finalise savings package of at
least £55m for 2011/12 and 2012/13

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Plan for 2011/12 Position

Workstream	Total Savings Target £000	Total of Options £000
Workforce Deployment	23,000,000	24,470,094
Service Prioritisation	16,000,000	17,125,000
Asset Management	5,000,000	4,910,000
Procurement	5,000,000	5,000,000
Income Generation	5,000,000	5,000,000
Phase Two - Shared Services	16,000,000	16,000,000
TOTALS	70,000,000	72,505,094

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- Savings Strategy – Key Objectives**
- By end of November 2010 provide clear direction and certainty for the organisation and service users over the period 2011/12 and 2012/13.
 - Progress implementation of agreed savings package as fast as possible to maximise in-year savings to meet one-off costs (estimated £25m).
 - Continue control of all non-essential expenditure.
 - Maintain previously agreed capital investment plans eg. Schools and Centres 21 (>£200m).
 - Continue work on transformation programme in order to develop savings options for 2013/14 and beyond.
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- Summary Impact of Savings Options**
- 82% - efficiency measures
 - 7% - income generation
 - 11% - service prioritisation
 - Reduction of 1,153 FTE posts (8%)
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Workforce Deployment - Implementation Plan

The overall aim under this workstream is to reduce employee costs by 5% delivering at least £23m of an efficiency saving with the total % saving target increased for those services which have the highest proportion of "back-office" or support services i.e.

Service	%	£000	FTE
Chief Executive's	11	586	18
Corporate Services	11	1,692	48
Finance & Customer Services	11	1,752	52
Environmental Services	9.88	8,031	234
Housing & Social Work Services	7.35	6,594	299
Learning & Leisure Services	<u>2.43</u>	<u>5,815</u>	<u>172</u>
Overall %	<u>5.48</u>	<u>24,470</u>	<u>823</u>

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Workforce Deployment - Measures

- Vacancy Control
- Further restructures
- Reducing management posts
- Reducing management time allocation in schools
- No blanket trawl for voluntary redundancy
- Targeting application of VRS with payback period of one-off costs not exceeding 3 years
- Reduction in Overtime Working
- Improved attendance levels
- Review of Conditions of Service
- Reduce Chief Officers Pay Costs

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Service Prioritisation

- All council services examined and ranked
- What we have to do; what we want to do; what citizens want us to do; how our costs compare
- Risk analysis carried out
- Split into corporate plan themes

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Service Prioritisation

	£000	FTE
Health Wellbeing & Care	4,053	46
Lifelong Learning	4,142	34
Environment	3,401	76.5
Regeneration	2,380	-
Developing Organisation	<u>3,149</u>	<u>10</u>
	<u>17,125</u>	<u>166.5</u>

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Service Prioritisation - Examples

	£000
Older Adults – Nursing Home Accommodation	455
Revert to Statutory Provision – School Transport	1,800
Revert to Statutory Limit of 33 for Maths & English Classes	800
Stop Community Warden Service	765
25% Reduction in Resources for Special Uplift Service	352
Stop Night Shift Cleansing in Town Centres	180
Reduce Local Development Programme	1,000
Review of Payments to other Bodies	2,000

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Asset Management

Spend approx £100m on property costs.

Aim to reduce this by £5m

Procurement

Aim to save at least £5m

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Income Generation - Examples

	£000
Charge for certain Pest Control Services	100
Increase Home Support Charges to National Average	700
Introduce charge for Community Alarm Service	1,178
Introduce charge for Garden Assistance for Non-Council Tenants	458
Introduce Car Parking Charges	1,089

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Phase 2 – Shared Services Programme

	£000	FTE
Internal Council Programme	5,000	197
Clyde Valley Programme	6,000	
Further Reviews/Outsourcing Options	<u>5,000</u>	
	<u>16,000</u>	

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Conclusions

- The council is not immune from public sector cuts. We did not cause the problem but we have to deal with it
- This challenge will not overwhelm or paralyse the organisation
- Our focus will remain – to deliver and develop services in support of our strategic priorities
- We will continue to deliver key services to our residents. But some services will change dramatically or even stop altogether

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Conclusions

- We have a good track record of efficiency and have consistently delivered required savings
- The approach to producing these options has been rigorous and has involved all services
- We will try to avoid compulsory redundancies, but nothing can be ruled out
- We are consulting on options for savings – no decisions will be made until November

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Conclusions

- We are as well placed as we can be to manage the savings required
- Confident that, despite the scale of the challenge Council services will continue to deliver positive outcomes for the people we are here to serve.

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**Consultation Programme
16 September – 22 October**

- "Hard Choices/Big Decisions" Leaflet
- Full details available on www.northlanarkshire.gov.uk/hardchoices
- Extensive Engagement
- Provides opportunity to discuss and consider any suggested alternative options which may contribute to minimising the impact on services and people.
- Ongoing dialogue with all our Community Planning Partners, e.g. NHS Lanarkshire, Strathclyde Police, Strathclyde Fire and Rescue etc.


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Consultation


- www.northlanarkshire.gov.uk/hardchoices
- Northline: 01698 403150
- Feedback form on Hard Choices booklet



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