



Committee: BUDGET AND PERFORMANCE PANEL

Date: TUESDAY, 27 JANUARY 2015

Venue: MORECAMBE TOWN HALL

Time: 6.00 P.M.

Councillors are reminded that as Members of Overview and Scrutiny they may not be subjected to the party whip, which is prohibited under the Lancaster City Council Constitution.

A G E N D A

Please note that this meeting will be held in Morecambe Town Hall and will start at 6.00 p.m. All Members of Council and stakeholders have been invited to attend.

1. Apologies for Absence

2. Minutes

Minutes of the Meeting held on 11th November 2014 (previously circulated).

3. Items of Urgent Business authorised by the Chairman

4. Declaration of Interests

To receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 10 and in the interests of clarity and transparency, Members should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Members are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

5. Consultation on the County Council's Budget Proposals (Pages 1 - 133)

The County Treasurer for Lancashire County Council has been invited to discuss Lancashire County Council's Budget proposals.

6. Budget and Policy Framework proposals 2015/16

On behalf of Cabinet, Nadine Muschamp, Chief Officer (Resources), will provide a presentation on Lancaster City Council's Budget and Policy Framework Proposals for 2015/16.

More information on Cabinet's specific proposals will only be available following Cabinet on 20th January 2015.

Copies of the presentation will be made available at the meeting.

7. Lancashire Combined Fire Authority Budget Proposals (Pages 134 - 154)

The Panel to consider and comment on the Lancashire Combined Fire Authority Budget Proposals.

8. Lancashire Police and Crime Commissioner Budget Proposals

The Panel to consider and comment on the Police and Crime Commissioner's Budget Proposals.

The Budget Proposals to follow.

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Tony Anderson (Chairman), Dave Brookes (Vice-Chairman), Chris Coates, Janet Hall, Alycia James, Richard Newman-Thompson, Elizabeth Scott, Keith Sowden and Susan Sykes

(ii) Substitute Membership

Councillors Mike Greenall, Richard Rollins, Roger Sherlock, Emma Smith and Paul Woodruff

(iii) Queries regarding this Agenda

Please contact Sarah Grandfield, Democratic Services - telephone 01524 582132 or email sgrandfield@lancaster.gov.uk.

(iv) Changes to Membership, substitutions or apologies

Please contact Members' Secretary, telephone 582170, or alternatively email memberservices@lancaster.gov.uk.

MARK CULLINAN,
CHIEF EXECUTIVE,
TOWN HALL,
DALTON SQUARE,
LANCASTER LA1 1PJ

Published on Monday, 19th January 2015.

Cabinet - 8 January 2015

Report of the County Treasurer

Electoral Division affected: All

Money Matters - The 2015/16 Budget and Financial Strategy 2016/17 to 2017/18
(Appendices 'A' and 'B' to 'M')

Contact for further information:

Gill Kilpatrick, (01772) 534715, County Treasurer's Directorate

gill.kilpatrick@lancashire.gov.uk

Executive Summary

Over the past few months, the Cabinet has considered a number of reports setting out both the level of financial challenge facing the Council over the next three years, and the Chief Executive and her Management Team's service offer proposals which set out in an open and transparent way, what can be delivered within the resources available, and the proposals to deliver the level of savings required.

The Council continues to face significant challenges as a result both of the demand for its services and the wider public finance environment. This results in the Council having a net budget available of £669m in 2017/18 compared to £758m for 2014/15. Taking into account fees, charges and other sources of income, the Council will have total resources available to invest in services of £1.1billion. After taking into account the savings agreed by Full Council in February 2014, over the three years 2015/16 to 2016/17, the Council needs to make further savings of £176m.

In the Autumn Statement the Chancellor stated that austerity is expected to continue until 2019/20. The government's fiscal assumption is that Total Managed Expenditure (TME) in 2016/17 and 2017/18 will fall in real terms at the same rate as between 2010/11 and 2014/15 and TME will remain flat in real terms up to 2019/20. Therefore non-protected departments, of which local government is one, will see the same rate of funding reductions as those experienced since 2010.

The Council recognises that to be sustainable and deliver for our communities the Council will need to change. At its meetings in November and December 2014, Cabinet published for consultation the service offer proposals developed by the Chief Executive and her Management Team. The Cabinet resolved to consider the responses to this consultation before publishing their budget proposals for consultation.

This report provides Cabinet with updates on matters affecting the Council's financial position, including the details of the Local Government Finance Settlement for 2015/16, which was announced on 18 December 2014. The provisional

settlement for 2015/16 will result in the Council's resources for 2015/16 being £0.202m lower than forecast.

Recommendations

Cabinet is asked:

- (i) To note the impact of the Local Government Finance Settlement which was published on 18 December 2014 on the level of Council resources for 2015/16;
- (ii) To consider any proposals for the revenue budget and council tax for 2015/16 for formal consultation following this meeting until 5 February 2015 when the Cabinet will consider its final budget recommendations to make to the Full Council on 12 February 2015;
- (iii) To note the formal notification from Defra of the termination of the waste infrastructure grant with effect from 31 July 2014, and the Council's proposed legal challenge. Cabinet is asked to agree that balances of £5.990m be set aside in 2015/16 to provide financial cover for this.
- (iv) To formally consult the following organisations in relation to the 2015/16 budget proposals:
 - The County Council's Budget Scrutiny Committee
 - The Office of the Police and Crime Commissioner
 - The Lancashire Combined Fire Authority
 - Recognised Trade Unions
 - Borough, City and Unitary Councils in Lancashire
 - Third Sector Lancashire
 - Association of Parish Councils
 - Lancashire Safeguarding Children's Board
 - Lancashire Care Association
 - The Older People's Forum
 - The Chamber of Commerce
 - The Lancashire Enterprise Partnership
 - Healthwatch Lancashire
 - The Clinical Commissioning Groups
 - Young People's Engagement Forums
- (v) In relation to the Schools Budget, agree that:
 - i. The County Council's allocation of Dedicated Schools Grant (DSG) is applied in its entirety to the Authority's Schools Budget and not to supplement the Schools Budget from other resources available to the Authority, and
 - ii. The detailed allocation of resources within the Schools Budget should be determined at a later date by the Cabinet Member for Children, Young People and Schools in consultation with the interim Executive Director for

Children and Young People and the County Treasurer in conjunction with the Lancashire Schools Forum.

Background and Advice

As set out at Appendix 'A'.

Consultations

As set out at Appendix 'A'.

Implications:

As set out at Appendix 'A'.

Risk management

As set out at Appendix 'A'.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Financial Outlook papers	April - December 2014	George Graham, County Treasurer's Directorate (01772) 538102

Reason for inclusion in Part II, if appropriate

N/A

Appendix 'A'

The 2015/16 Budget and Financial Strategy 2016/17 - 2017/18

1. Introduction

This report provides the Cabinet with an update on the County Council's budget for 2015/16 and future years following the publication of the Chancellor's Autumn Statement on 3 December 2014, the Local Government Finance Settlement for 2015/16 on 18 December 2014, and the impact of the savings identified by the County Council's Management Team in developing the service offer proposals.

The Council continues to face significant challenges as a result both of the demand for its services and the wider public finance environment. This results in the Council having a net budget available of £669m in 2017/18 compared to £758m for 2014/15. At the same time the Council faces the continuing increase in demand for services. Taking into account income from fees, charges and other sources, the Council will have a total resources available to invest in services in 2017/18 of £1.1 billion.

2. The External Environment

The County Council is subject to a wide range of external influences which impact on the Council's finances in different ways. This section of the report considers these factors and their influence on the level of the County Council's resources.

2.1 *The Autumn Statement*

The Chancellor of the Exchequer's Autumn Statement was published on 3 December 2014. This set out the global economic context within which the UK is operating and revised upwards the forecast for UK growth in 2014 from 2.7% to 3% and from 2.3% to 2.45% in 2015. The Chancellor made it clear that austerity measures will continue, in order to support the reduction in the deficit. Public spending control is central to the government's commitment to reducing the deficit, and a further £10 billion of efficiency savings are expected to be achieved by 2017/18. The government has to date delivered £67 billion of the £99 billion planned reductions in spending by the end of 2015/16.

The Chancellor stated that austerity is expected to continue until 2019/20. The government's fiscal assumption is that Total Managed Expenditure (TME) in 2016/17 and 2017/18 will fall in real terms at the same rate as between 2010/11 and 2014/15, and will remain flat in real terms in 2018/19 and 2019/20. Therefore non-protected departments, of which local government is one, will see the same rate of funding reductions as those experienced since 2010.

This represents further risk to the resources received by the Council in the form of Revenue Support Grant from the government. The existing forecast and projections reflects the continuation of the average reductions the Council had experienced since 2010 at 7%. However, the Local Government Association (LGA) and other commercial consultancies have forecast higher reductions in funding, and using a mid-point of their projections this refers to a reduction of 9% in 2016/17 and 2017/18.

This represents a further risk to the Council as a 2% reduction in funding will reduce available resources by £6.6m in 2016/17 and £6.1m in 2017/18. A 2% change over both years would amount to £12.7m in total.

2.2 The Provisional Local Government Settlement for 2015/16

The provisional Local Government Finance Settlement for 2015/16 was announced on 18 December 2014.

The government continues to present the allocation of government resources through the concept of spending power. Spending power measures the overall revenue funding available for local authority services, including Council Tax, locally retained business rates and government grants.

The paragraphs below set out for Cabinet the impact of the settlement on the level of resources the Council will receive from the government, in order to understand the impact on the Council's financial position.

The Council's support received through the settlement for 2015/16 broadly in line with the current forecast with a slight reduction in resources of £0.202m. This is made up as follows:

- Revenue Support Grant has increased by £0.833m from £156.582m to £157.415m.
- The Business Rates Top-Up funding has reduced by £1.157m from £140.072m to £138.915m.
- The amount the Council will receive in compensation for the business rate cap for small businesses has increased by £0.168m from £2.340m to £2.508m.
- The New Homes Bonus funding has reduced by £0.046m from £3.921m to £3.875m.

In addition, confirmation of specific grant funding has been received as part of the settlement for 2015/16.

- Department of Health revenue grant funding of £1.235m to cover a range of spending including continuing funding for the deprivation of liberty safeguards and healthwatch. This also includes £0.490m new burdens funding for the transfer of responsibility for social care in prisons.
- Educational Services Grant funding of £16.126m.
- Additional grant of £0.659m to support the Special Educational Needs and Disabilities (SEND) reforms. These additional resources are one-off and will enable the Council to mitigate the risks associated with the SEND reforms.
- Adults Social Care New Burdens grant funding of £6.885 for the Care Act which is currently anticipated to cover expenditure in 2015/16. The Council is exposed to considerable risks in relation to this in 2016/17 and beyond.

Within the Council's provisional settlement is an amount indicated to be for the local welfare provision of £2.6m. However, it must be emphasised that no additional resources have been allocated to local government for this, and this appears to only presentational.

2.3 *New Homes Bonus – Additional One-Off Resources*

As part of the settlement, the government has reduced the level of the national topslice of local government resources set aside to fund the new homes bonus. Nationally £1bn was previously held back in 2015/16 for New Homes bonus, now this is reduced to £950m with the £50m returned to local government. The provisional impact on the County Council is a one-off benefit in 2015/16 of £0.564m.

2.4 *Council Taxbase*

The City and Borough Councils must confirm the final figures in relation to taxbase (i.e. the number of properties upon which council tax is paid) by 31 January 2015. The Council has received provisional forecasts for the level of council taxbase in 2015/16 from most City and Borough Councils. This information indicates that taxbase may have increased above the forecast. However, given a only a proportion have been received from City and Borough Councils, and experience as shown this forecast to be volatile the information will be formally reported to Cabinet once figures are confirmed and reliance can be placed upon them.

2.5 *Council Tax Levels*

The council tax referendum limit was announced within the Provisional Local Government Settlement for 2015/16. Any council tax increase of 2% or above will require a referendum.

In addition, the arrangements for a 2015/16 council tax freeze grant were announced within the settlement. If a decision to freeze council tax is made, a council would receive an on-going grant to the equivalent of a 1% council tax rise. The government has announced a provisional allocation for the Council of £4.373m, which is slightly higher than a 1% increase in council tax, due to a higher council tax base being used to calculate.

The table below shows the impact of council tax increases in increments of 0.5% ranging from a freeze to an increase of 1.99%.

Impact of an Increase in Council Tax	2015/16 £m
A Freeze	4.373
0.50% increase	1.878
1.00% increase	3.756
1.50% increase	5.634
1.99% increase	7.474

Table 1

2.6 *The Better Care Fund*

The Better Care Fund is utilised to form a joint plan between the Council and the 6 Lancashire Clinical Commissioning Groups. Subject to the agreement of the Better Care Fund plan in 2015/16 the value of the pooled fund is £79.5m of which £25.3m has been allocated to the Council and is incorporated within the forecast for 2015/16. The final allocation for 2015/16 will be dependent upon planning and performance in 2014/15 and achieving specified goals in 2015/16.

2.7 *Business Rates income*

The Council's resource forecast for 2015/16 includes a share of the locally retained business rates. City and Borough Councils are currently calculating their respective forecasts in respect of the level of business rates income they expect to collect in 2015/16 of which the County Council will receive a share. The Council's resources will always reflect the actual level of business rates income collected by City and Borough Councils rather than the forecast allocation made by central government. Therefore resources available to the Council will be affected by any variation from the forecast. City and Borough Councils are required to provide this information to County Councils by 31 January 2015, and no forecasts have been received at present. We have been able to base initial projections on the National Non Domestic Rates returns from City and Borough Councils during the year, with allowances for growth in rateable value and the impact of business rates appeals. The formal notifications are required for budget setting.

2.8 *Public Health Grant*

The Council took responsibility for some Public Health services from 1 April 2013 and receives a specific earmarked grant to deliver these services. The allocation for 2015/16 is, in line with forecast, £59.8m. This is a ring-fenced grant and must be used to support public health activities.

From 1 October 2015 local authorities will become responsible for commissioning the age 0 to 5 Healthy Child Programme. Funding for this responsibility will sit within the overall ring-fenced Public Health budget. The transfer of age 0 to 5 Healthy Child Programme services will include:

- Health visiting services
- Family Nurse Partnership services (targeted service for teenage mothers)

Negotiations are currently underway with the NHS with regard to finalising the funding for this transfer of responsibility and the Council has received an indicative allocation of £9m in funding covering the six month period from 1 October 2015 to 31 March 2016. It is anticipated that the full-year allocation will rise to £18m in 2016/17, however, this has yet to be confirmed. It is important to note that the Council will also receive spending obligations, and at this stage, should not assume savings arising from the transfer in 2015/16.

3. Delivering the 2015/16 to 2017/18 Budget

3.1 *The Starting Point*

The 2014/15 revenue budget was set at Full Council in February 2014. At that time the Council identified a 'Spending gap' between expenditure and resources of £161.488m by 2017/18 as follows:

	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m
Spending Gap	72.946	44.794	43.748	161.488

Table 2

3.2 *Changes to the Forecast of Spending and Resources*

A detailed review of costs and resources was undertaken over the summer and the details reported to Cabinet in November. The Council's future costs are driven by both demand and inflation. In addition there are "legacy" pressures which have arisen from savings falling out of the current financial strategy.

The Council's forecast of resources was revised during the same period and reported to Cabinet in November, details are shown below in table 3. The overall impact of these changes that result in a revised spending gap of £176.671m by 2017/18. The November Cabinet report can be found at the following link

<http://council.lancashire.gov.uk/ieListDocuments.aspx?CId=122&MId=3015>

	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m
Spending Gap as reported to Full Council February 2014	72.946	44.794	43.748	161.488
Add change to forecast of spending:				
Service Demand Pressures	8.185	0.671	0.501	9.357
Inflation and Cost Changes	-1.020	-1.683	-1.310	-4.013

Legacy Financial Pressures	4.822	7.254	2.448	14.524
Total Change to Forecast of Spending	11.988	6.241	1.638	19.867
Less change to forecast of resources:				
Business Rates Top Up and Local Share	-6.418	1.583	0.134	-4.701
Council Tax Base	0.507	nil	nil	0.507
New Homes Bonus	0.568	-1.058	nil	-0.490
Total Change to Forecast of Resources	-5.343	0.525	0.134	-4.684
Impact of 2015/16 Settlement	0.202	-	-	0.202
Revised Spending Gap	79.793	51.560	45.520	176.873

Table 3

3.3 Meeting the Spending Gap

The Chief Executive and her Management Team have prepared a number of service offer proposals to re-design the way services are delivered within a reduced spending envelope. Cabinet requested that these proposals were the subject to consultation, in order that Cabinet could consider the views of stakeholders before formally publishing their budget proposals for 2015/16 and later years.

The results of the consultation are set out later in Appendices 'B' to 'M' of this report. The service offers developed by the Chief Executive and her Management Team to deliver investment in services within a gross budget of £1.1 billion, income of £445.569m and a net budget of £699m. The service offers proposals have also delivered savings of £155.948m.

	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m
Savings arising from the Service Offer proposals developed by the Chief Executive and her Management Team, published for consultation in November 2014	66.170	38.726	37.052	141.948

Savings arising from the Service Offer proposals developed by the Chief Executive and her Management Team, published for consultation in December 2014	6.250	5.250	2.500	14.000
Total Savings arising from the Service Offer Proposals developed by the Chief Executive and her Management Team, published for consultation in December 2014	72.420	43.976	39.552	155.948

Table 4

3.4 Overall Impact

The impact of the changes to spending and resources and the savings identified above on the Council's budget position is therefore:

	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
The Gap between spending and resources after impact of 2015/16 Finance Settlement	79.793	51.560	45.520	176.873
Less: The savings from the service offer proposals developed by the Chief Executive and her Management Team, published for consultation	72.420	43.976	39.552	155.948
Updated Position after impact of 2015/16 Finance Settlement and Service Offer Proposals	7.373	7.584	5.968	20.925

Table 5

4. Risks and Uncertainties for 2015/16

The strategy to achieve a balanced budget package includes consideration of the risks and uncertainties around the Council's financial position. The key areas for consideration are as follows:

Legislative Change

It has previously been reported to Cabinet that the Supreme Court judgement related to Deprivation of Liberty Safeguards (DOLS) presents a £2.9m risk, as proposals being considered do not provide any additional funding. Further analysis is being undertaken and a further update will be provided to Cabinet in the future.

Resources

There is no clarity on the level of support from central government beyond 2015/16. Furthermore the Chancellor has announced in his Autumn Statement on 3 December 2014 that austerity measures will continue up to 2019/20 and a further £10 billion of efficiency savings will need to be achieved. In the Economic and Fiscal Outlook, the Office for Budget Responsibility (OBR) stated the Treasury's figures imply that 'roughly 40% of the total implied cut in day-to-day public services spending between 2009/10 and 2019/20 will have taken place over this Parliament, with roughly 60 per cent to come in the next Parliament. At present it is not known how this will impact on Local Government.

- The Councils projections include funding reductions of 7% and further analysis illustrates that if funding from the government was reduced by a further 2% this would reduce the resources available by £6.6m in 2016/17 and 2017/18. A 2% change over both years would amount to £12.7m in total.
- There is a potential risk to future income from locally collected business rates as a result of appeals against the rate they are charged. The Council's forecast of resources incorporates the estimated potential impact of such appeals.

Waste PFI Grant

The Council received notification from Defra on the 16 December 2014 of the decision to terminate the payment of the waste infrastructure grant from 31 July 2014. The Council considers that it has very strong grounds to contest this decision and will now challenge Defra's decision by way of a Judicial Review. £5.990m of waste infrastructure grant is contained within the Council's forecast of resources for each of the three years 2015/16 to 2017/18. Although the Council is confident of its case, this resource must be considered to be at risk and therefore an amount set aside from reserves to provide cover in 2015/16. This position will be subject to review, and therefore may impact on the forecast of resources for future years.

Demand

The level of demand for social care services continues to put pressure on the Council's budget in the current year and presents a continual pressure for future years. The services offers include significant savings based on being able to change the way services are delivered. The budget includes the most up to date demand forecasts but any future increases in demand will add pressure to the future budgets.

Inflation

Actual inflation remains relatively low and therefore represents minimal risk in the forecast of spending to 2017/18.

Pay

The forecasts include the pay award of 2.20% from 1 January 2015 to March 2016, and then an assumed increase of 2% each year thereafter. The forecasts also include the latest increases to the Living Wage of 2.7% in September 2014.

The Chancellor announced that restraint in public pay is expected to continue which could produce pay award increases less than the 2% provided for in the forecast, if this is the reality any impact will be reflected in future updates to the financial forecast.

The Care Act

Care Act – The Care Bill became the Care Act on 14 May 2014. Under the Care Act local authorities will need to ensure that residents

- Receive services that prevent their care needs from becoming more serious
- Can access information and advice to make good decisions about their care and
- Have a range of high quality care providers to choose from

The Care Act also includes measures to allow deferred payments and to introduce a lifetime care limit of £72,000 for elderly care users. Under the reforms, with effect from 1 April 2015 local authorities will be expected to cover the costs for care once eligible users have reached their lifetime contribution limit. This additional responsibility will lead to additional pressures on the Council's budget.

Some additional resource (of c £3m) for set up costs has been allocated to local authorities through the Better Care Fund arrangements but at this stage the ongoing additional cost is not clear. In addition an indicative specific grant figure of £6.885m for 2015/16 has been provided. While these costs will be funded through the "new burdens" mechanism there is a significant risk, particularly in 2016/17, that the total resource provided will be insufficient and that the distribution mechanism used will fail to match the incidence of increased costs. A significant level of work is ongoing on this area, and further reports will be provided to members as information emerges.

5. Schools Budget

In line with the school funding arrangements introduced in November 2007, Cabinet has agreed since 2008/09 in respect of the Schools Budget that:

- a) The County Council's allocation of Dedicated Schools Grant (DSG) is applied in its entirety to the Authority's Schools Budget and not to supplement the Schools Budget from other resources available to the Authority; and
- b) The detailed allocation of resources within the Schools Budget is determined at a later date by the Cabinet Member for Children, Young People and Schools in consultation with the Interim Executive Director for Children and Young People and the County Treasurer and in conjunction with the Lancashire Schools Forum.

The provisional Dedicated Schools Grant allocation is £839.957m in 2015/16, and currently supports the following:

Establishment type	Number
LEA maintained Primary Schools	476
LEA maintained Secondary Schools	62
LEA maintained Special Schools	30
Nursery Schools	24
Short Stay Schools	10
Primary Academy Schools	6
Secondary Academy Schools	20
Secondary Free Schools	1
All-through Free Schools	1
FE Colleges	23
Private, Voluntary and Independent Early Year Providers	925
Total	1,578

The Cabinet is asked to confirm the continuation of this approach in relation to the determination of the 2015/16 and future years' Schools Budget.

6. Budget Consultation 2015/16

Consultation on the service offer proposals developed by the Chief Executive and her Management Team has been undertaken with a range of organisation with the following responses received:

- The Clinical Commissioning Groups (Appendix 'B' refers)
- The Life in Lancashire Panel (Appendix 'C' refers)
- Young people's engagement forums (Appendix 'D' refers)
- Responses from the public (Appendix 'E' refers)
- Borough, District and Unitary Councils in Lancashire (Appendix 'F' refers)
- Budget Calculator – YouChoose Budget Report (Appendix 'G' refers)
- Third Sector Lancashire (Appendix 'H' refers)
- Association of Parish Councils and individual parish responses (Appendix 'I' refers)
- Lancashire Safeguarding Children's Board (Appendix 'J' refers)
- The Lancashire Care Association (Appendix 'K' refers)
- The Budget Scrutiny Committee (Appendix 'L' refers)
- Miscellaneous responses (Appendix 'M' refers)
- The Older People's Forum (no response received)
- The Chamber of Commerce (no response received)
- The Lancashire Economic Partnership (no response received)
- The Office of the Police and Crime Commissioner (no response received)

- The Lancashire Fire Authority (no response received)
- Health Watch (no response received)
- Trade Unions (no response received)

The feedback received from these groups is shown in Appendices 'B' to 'M'.

The formal budget consultation will begin upon the publication of the Cabinet's budget proposals on 8 January 2015, which will be reported to Cabinet at its meeting on 5 February 2015.

7. Equality and Diversity

The consideration of savings proposals will also take full account of the Council's duty under s.149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. Where necessary this consideration will involve consultation with those people who may be adversely affected by the proposals.

Having due regard means analysing at each step of formulating, deciding upon and implementing policy what the effect of that policy is or may be upon groups who share protected characteristics defined by the Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity, and, in some circumstances, marriage and civil partnership status.

Where analysis shows that there may be a possible negative impact it will then be necessary to consider whether any steps can be taken to mitigate or reduce the potential adverse effects. This may involve an amendment to the original proposals. The analysis and negative impacts must then be balanced against the reasons for the proposals, that is to say the need for budget savings.

Equality Analyses will be updated in due course to reflect the outcome of consultation and will be provided to Cabinet for them to be considered before making recommendations to Full Council.

8. Adequacy of Reserves

The Council holds reserves for a number of reasons:

- To ensure the organisation is in a good position to deal with unexpected events, such as flooding or the destruction of a major asset through fire.
- To ensure the organisation can manage in year budget pressures due to the variation in demand for services.

- To adequately meet demands identified within the budget and fund specific projects.

There is no right answer to the question of the appropriate level of reserves for a local authority; this is a matter of judgement taking into account:

- The level of risk evident within the budget as set out above.
- A judgement on the effectiveness of budgetary control within the organisation.
- The degree to which funds have already been set aside for specific purposes which will reduce the need for general reserves.

The level of risk evident within the budget is clearly increasing as set out in the analysis above. Whilst this does not indicate a need to increase reserves, it sets the context within which the Council needs to consider the level of reserves it holds.

The effectiveness of budgetary control is a combination of both systems and processes and the risk environment within which the Council is operating. Budgetary control procedures remain strong.

The Council currently has earmarked reserves available of £105m to fund the costs of downsizing the Council. The Council will face significant severance costs as the number of staff reduces over the next three years.

In relation to the Council's general reserve (County Fund Balance), the forecast level at 31 March 2015 is £36m.

The Chancellor has stated that the austerity measures within which the Council is operating is likely to continue to 2019/20, if not beyond. Therefore is important the Council maintains a level of reserves which enables the Council to:

- Effectively manage the process of downsizing and reshaping of the Council, including the payment of severance costs and the availability of reserves to give protection to those services provided to the most vulnerable members of the community.
- Changes in the welfare system could lead to potential increases in demand for the Council's services, therefore adequate reserves are required until the impact becomes clearer.
- To manage potential instability in the Business Rates retention system. Whilst the Council has set aside £5m within a volatility reserve, in reality, business rate income would have to reduce by £12.4m before the safety net mechanism within the system kicks in, potentially exposing the Council to a level of resource volatility not covered by the reserve.

In overall terms, the Council has an appropriate level of reserves available to manage the overall financial risk it is facing in 2015/16, with some ability to be flexible in terms of managing the balance between holding reserves and managing budget reductions in 2015/16.

9. Capital Investment Programme

The Capital Programme is largely funded by government allocations which come in the form of grants. Although the allocations can be used for any capital purpose they are issued by the Department of Transport for Integrated Transport and maintenance and from the Department of Education for schools basic need and maintenance. To date the following 2015/16 allocations have been notified for schools basic need (£8.467m) and integrated transport (£6.054m). It is anticipated that the additional allocations, which in 2014/15 totalled some £30m, will be received in December or January. No announcements on capital formed part of the provisional local government settlement. Consequently, an update on the Capital Programme will be presented to Cabinet for consideration at the meeting on 5 February 2015. The Integrated Transport and Maintenance funding grant allocation is expected to be announced on 23 December 2014.

Cabinet - 8 January 2015**Resolutions**

Item 5 - Money Matters – The 2015/16 Budget and Financial Strategy for 2016/17 to 2017/18

Resolved:-

Cabinet resolves:

1. To note the update on the Council's position for 2015/16 and future years following the publication of the Local Government Finance Settlement for 2015/16 on 18 December 2014.
2. To note that the Council will have estimated resources over the period 2015/16 to 2017/18 as follows, to invest in services for the communities of Lancashire:

Table 1 – Estimated Resources 2015/16 to 2017/18

	2015/16 £m	2016/17 £m	2017/18 £m
Total Resources	1,154.104	1,134.166	1,114.232
Income from Fees, Charges and Specific Grants	442.974	444.677	445.569
Net Resources	711.130	689.489	668.663

Table 1

3. To note that funding from the Government through business rates and revenue support grant has fallen grant from £351.2m in 2014/15 to £298.8m in 2015/16, a reduction of 18%. It is recognised that government funding will fall further in future years, and in overall terms, the forecast of Government resources is a 7% reduction per year in 2016/17 and 2017/18. However, for business rates and revenue support grant only anticipated reductions of 8% in 2016/17, and 9% in 2017/18 have been planned for within the Cabinet's budget proposals.
4. To note that, at the same time the Council is facing increases in its costs over the next 3 years, and as a result, must make further savings of £176.8m, as set out in the table below.

Table 2 – Profile of Savings 2015/16 to 2017/18

	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Level of Savings Required	79.793	51.560	45.520	176.873

Table 2

5. To note that these reductions are in addition to the savings agreed by Full Council in February 2014 of £139m, bringing the total savings required over the period 2014 to 2018 to £315m.
6. To propose, for consultation, that the funding available be invested in the following service offers over the next three years. The detail of each service offer is set out in Appendix A to these resolutions, with further detail of the investment within each service offer, set out in Annex 1.

Table 3 – Proposed Investment in Services 2015/16

Service Offer	Gross Budget 2015/16 (The amount we propose to spend) £m	Income 2015/16 (The amount we expect to receive) £m	Net Budget 2015/16 (The cost to the County Council) £m
Cost of Being in Business	152.534	(75.201)	77.333
Service Offer Proposals			
Social Care	494.685	(119.486)	375.199
Other Services We Provide To Adults	16.979	(3.698)	13.281
Coroners Service	2.159	-	2.159
Public Health & Wellbeing	105.064	(75.610)	29.454
Other Services For Children & Young People	115.294	(60.792)	54.502
Highway Services	75.316	(44.498)	30.818
Bus & Rail Travel	42.002	(8.864)	33.138
Waste Management	104.908	(20.152)	84.756
Other Environment Services	16.500	(10.629)	5.871
Cultural Services	20.460	(5.130)	15.330
Economic Development and Skills	19.571	(18.913)	0.658
Total for the Service Offers	1,012.938	(367.772)	645.166
Grand Total	1,165.472	(442.973)	722.499

Table 3

Table 4 – Proposed Investment in Services 2016/17

Service Offer	Gross Budget 2016/17 (The amount we propose to spend) £m	Income 2016/17 (The amount we expect to receive) £m	Net Budget 2016/17 (The cost to the County Council) £m
Cost of Being in Business	164.750	(75.201)	89.549
Service Offer Proposals			
Social Care	487.207	(120.554)	366.653
Other Services We Provide To Adults	16.736	(3.698)	13.038
Coroners Service	2.169	-	2.169
Public Health & Wellbeing	96.128	(75.610)	20.518
Other Services For Children & Young People	112.044	(60.358)	51.686
Highway Services	75.473	(44.498)	30.975
Bus & Rail Travel	43.395	(9.029)	34.366
Waste Management	106.250	(20.150)	86.100
Other Environment Services	15.519	(10.535)	4.984
Cultural Services	18.214	(5.130)	13.084
Economic Development and Skills	19.747	(19.913)	(0.166)
Total for the Service Offers	992.882	(369.475)	623.407
Grand Total	1,157.632	(444.676)	712.956

Table 4

Table 5 – Proposed Investment in Services 2017/18

Service Offer	Gross Budget 2017/18 (The amount we propose to spend) £m	Income 2017/18 (The amount we expect to receive) £m	Net Budget 2017/18 (The cost to the County Council) £m
Cost of Being in Business	160.915	(75.201)	85.714
Service Offer Proposals			
Social Care	480.406	(121.423)	358.983
Other Services We Provide To Adults	17.337	(3.698)	13.639
Coroners Service	2.179	-	2.179
Public Health & Wellbeing	90.347	(75.610)	14.737
Other Services For Children & Young People	111.862	(59.886)	51.976
Highway Services	76.534	(44.498)	32.036
Bus & Rail Travel	44.906	(9.200)	35.706
Waste Management	107.795	(20.119)	87.676
Other Environment Services	15.827	(10.890)	4.937
Cultural Services	16.815	(5.130)	11.685
Economic Development and Skills	19.974	(19.913)	0.061
Total From Service Offers	983.982	(370.367)	613.616
Grand Total	1,144.897	(445.569)	699.329

Table 5

7. To note that given the scale of the financial challenge, the level of savings required cannot be achieved without impacting upon services. In terms of our services, the Service Offer proposals reflect the need to manage demand more effectively, particularly in relation to social care, offering earlier help for those who need it and ensuring that preventative services are effective. Helping people earlier in life will build resilience and promote self-help as communities take a greater role in delivering support and improving outcomes. Central to the new Service Offer is the need for the Council to work more closely with communities and partners to develop new ways of delivering services, targeting and combining public services where they can be the most effective.
8. To note that the savings which will be delivered by each service offer, over each of the next three years, are summarised in the table below, with greater detail set out in Appendix 'B'.

Table 6 – Phasing of Savings 2015/16 to 2017/18

Service Offer	Total Savings	2015/16 Savings	2016/17 Savings	2017/18 Savings
	£m	£m	£m	£m
Cost of Being In Business	7.818	3.380	1.706	2.732
Social Care	66.390	19.455	21.779	25.156
Other Services We Provide To Adults	5.252	5.141	0.111	-
Coroners Service	0.171	0.171	-	-
Public Health & Wellbeing	23.183	8.882	7.904	6.398
Other Services For Children & Young People	9.845	5.615	3.265	0.965
Highway Services	5.395	4.445	0.736	0.214
Bus & Rail Travel	0.739	0.658	0.081	-
Waste Management	20.053	18.000	1.053	1.000
Other Environment Services	1.656	1.310	0.304	0.042
Cultural Services	5.263	0.920	2.529	1.814
Economic Development and Skills	0.443	0.443	-	-
Grand Total	146.208	68.420	39.468	38.321

Table 6

9. To propose a council tax increase of 1.99% in 2015/16, raising further revenue for the Council of £7.474m in 2015/16
10. To set aside £3.9m from the Council's reserves to support the revenue budget in 2015/16.
11. To note that, as set out in paragraph 5, the savings required are in addition to those agreed by Full Council in February 2014, and to note the full impact of this previous decision, together with the proposed savings from the service offers proposals on the Council's financial position, as shown below in table 7:

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Total Savings Required	76.000	100.846	73.767	64.773	315.386
Savings agreed at Full Council February 2014	(76.000)	(21.053)	(22.207)	(19.253)	(138.513)
Further Savings Required	-	79.793	51.560	45.520	176.873
Savings Arising from the Service Offers and reductions in the cost of being in business		(68.420)	(39.468)	(38.321)	(146.208)
Council Tax increase at 1.99%		(7.474)	-	-	(7.474)
Use of Balances		(3.899)	3.899	-	-
Remaining Gap		-	15.991	7.199	23.190

Table 7

12. To note the formal notification from Defra of the termination of the waste infrastructure grant with effect from 31 July 2014, and the Council's legal challenge, and agree that balances of £5.990m be set aside in 2015/16 to provide financial cover, if required.

13. To formally consult the following organisations on the Cabinet's proposals, with responses to be received by the 4 February 2015, to enable Cabinet to consider all responses at the meeting of the Cabinet on 5 February 2015, when Cabinet will formally recommend its budget proposals for 2015/16 to Full Council.

- The County Council's Budget Scrutiny Working Group
- The Office of the Police and Crime Commissioner
- The Lancashire Combined Fire Authority
- Recognised Trade Unions
- Borough, City and Unitary Councils in Lancashire
- Lancashire Members of Parliament
- Third Sector Lancashire
- Parish Councils and the Lancashire Association of Local Councils
- Lancashire Safeguarding Children's Board
- Lancashire Care Association
- The Older People's Forums
- The Chamber of Commerce
- The Lancashire Enterprise Partnership
- Healthwatch Lancashire

- The Clinical Commissioning Groups
- Young People's Engagement Forums

14. To thank the Chief Executive and her Management Team for the hard work that has developed the proposed service offers published for formal consultation today. Cabinet has considered the feedback received, and has not incorporated savings identified by the Chief Executive and her management team in relation to the cessation of subsidised local bus services, and discretionary subsidies for home to mainstream school transport.
15. To task the Chief Executive and her Management Team to continue to identify opportunities for reducing the Council's costs through the development of innovative ways of working, including working with partners to mitigate the financial and service risks facing the Council in future years.
16. To consider the Council's capital programme for 2015/16 and future years at the meeting of Cabinet on 5 February 2015, when all announcements on capital funding are known.
17. To bring a report back to Cabinet in 2015/16 on the results of the Spending Review 2015, which will be published by the Government following the General Election, and in the meantime, to prepare alternative funding scenarios to enable longer term financial planning for the Council.
18. That, in relation to the Schools Budget, Cabinet agrees that:
 - i. The County Council's allocation of Dedicated Schools Grant (DSG) is applied in its entirety to the Authority's Schools Budget and not to supplement the Schools Budget from other resources available to the Authority, and
 - ii. The detailed allocation of resources within the Schools Budget should be determined at a later date by the Cabinet Member for Children, Young People and Schools in consultation with the interim Executive Director for Children and Young People and the County Treasurer in conjunction with the Lancashire Schools Forum.

Spend in 2017/18 If No Action Is Taken and Proposed Future Service Offer Investment

Service Offer	Gross Budget (The amount we would spend in 2017/18 if no action is taken)	Income (The amount we expect to receive in 2017/18 if no action is taken)	Net Budget (The cost to the County Council in 2017/18 if no action is taken)	Gross Budget (The amount we propose to spend in 2017/18 if the service offer is implemented)	Income (The amount we expect to receive in 2017/18 if the service offer is implemented)	Net Budget (The cost to the County Council in 2017/18 if the service offer is implemented)
	£m	£m	£m	£m	£m	£m
Cost of Being In Business	92.137	(76.279)	15.858	83.405	(76.360)	7.045
Corporate Costs	76.515	1.159	77.674	77.510	1.159	78.669
Total Cost of Being in Business	168.652	(75.120)	93.532	160.915	(75.201)	85.714
Adult Disability Provider Services	19.427	(1.231)	18.196	18.860	(1.231)	17.629
Adult Social Care (Areas identified as being in scope for delivery of additional savings)	-	-	0.000	(13.354)	-	(13.354)
Care Navigation	0.492	-	0.492	0.427	-	0.427
Care Services Older People	16.246	(8.022)	8.225	14.933	(8.022)	6.912
Carers Services	2.103	-	2.103	1.803	-	1.803
Adult Social Care (Staff)	32.115	(6.420)	25.695	30.654	(6.420)	24.234
Commissioned Social Care Learning Disabilities (Adults)	330.784	(94.535)	236.249	293.954	(94.535)	199.419
Reablement	3.862	-	3.862	3.862	-	3.862
Personal Social Care - Maintained Equipment	5.459	-	5.459	4.459	-	4.459
Supporting People	13.171	(0.800)	12.371	8.393	(0.800)	7.593
Mental Health Commissioning	31.005	(8.154)	22.851	26.991	(8.154)	18.837
Children's Social Care	65.402	(1.075)	64.327	64.168	(1.075)	63.093
Residential Services, Fostering and Adoption	23.230	(1.072)	22.158	21.800	(1.072)	20.728
Safeguarding Inspection & Audit	3.500	(0.116)	3.384	3.456	(0.116)	3.340
Total Social Care	546.796	(121.423)	425.373	480.406	(121.423)	358.983
County Benefits	5.701	-	5.701	2.189	-	2.189
Adult Transport	3.990	(2.587)	1.403	3.990	(2.587)	1.403
Direct Support to Services We Provide to Adults	12.897	(1.110)	11.787	11.157	(1.110)	10.047
Total Other Services We Provide To Adults:	22.588	(3.697)	18.890	17.337	(3.697)	13.639
Coroners Service	2.350	-	2.350	2.179	-	2.179
Total Coroners Service	2.350	-	2.350	2.179	-	2.179
Public Health & Wellbeing	111.531	(73.610)	37.921	90.347	(75.610)	14.737
Total Public Health & Wellbeing	111.531	(73.610)	37.921	90.347	(75.610)	14.737

Spend in 2017/18 If No Action Is Taken and Proposed Future Service Offer Investment

Service Offer	Gross Budget (The amount we would spend in 2017/18 if no action is taken)	Income (The amount we expect to receive in 2017/18 if no action is taken)	Net Budget (The cost to the County Council in 2017/18 if no action is taken)	Gross Budget (The amount we propose to spend in 2017/18 if the service offer is implemented)	Income (The amount we expect to receive in 2017/18 if the service offer is implemented)	Net Budget (The cost to the County Council in 2017/18 if the service offer is implemented)
	£m	£m	£m	£m	£m	£m
Inclusion & Disability Support Service	42.386	(5.765)	36.621	37.245	(5.765)	31.480
School Catering	25.173	(24.753)	0.420	25.089	(24.753)	0.336
Lancashire Safeguarding Children's Board	0.450	(0.197)	0.253	0.389	(0.197)	0.192
Mainstream Home to School Transport	10.374	(1.041)	9.333	10.374	(1.041)	9.333
Provision Planning	0.435	-	0.435	0.280	-	0.280
Pupil Access	1.313	-	1.313	1.234	-	1.234
School Improvement	11.606	(5.765)	5.841	10.674	(5.765)	4.909
Traded Services	17.576	(18.810)	(1.235)	15.965	(18.810)	(2.846)
School Liaison and Compliance	0.418	(0.209)	0.209	0.370	(0.209)	0.161
Youth Offending	5.574	(3.303)	2.271	5.484	(3.303)	2.181
Direct Support to Services We Provide to Children & Young People	6.403	(0.044)	6.360	4.759	(0.044)	4.716
Total Other Services For Children & Young People	121.707	(59.886)	61.821	111.862	(59.886)	51.976
Highways	81.303	(44.498)	36.805	76.371	(44.498)	31.873
Sustainable Travel	0.625	-	0.625	0.162	-	0.162
Total Highway Services	81.929	(44.498)	37.431	76.534	(44.498)	32.036
Bus & Rail Travel	45.645	(9.200)	36.444	44.906	(9.200)	35.706
Total Bus & Rail Travel	45.645	(9.200)	36.444	44.906	(9.200)	35.706
Waste Management	127.848	(20.119)	107.729	107.795	(20.119)	87.676
Total Waste Management	127.848	(20.119)	107.729	107.795	(20.119)	87.676
Asset Management (Highway)	1.101	(0.087)	1.013	0.995	(0.087)	0.907
Countryside, Public Rights of Way and Environment and Community Projects	1.436	(0.092)	1.344	1.529	(0.092)	1.437
Design & Construction	8.831	(9.752)	(0.921)	8.503	(9.752)	(1.249)
Planning	2.010	(0.413)	1.597	1.752	(0.413)	1.339
Central Lancashire Masterplan Delivery	0.300	(0.546)	(0.246)	0.220	(0.546)	(0.326)
Direct Support to Services We Provide to Environment	3.805	-	3.805	2.828	-	2.828
Total Other Environment Services	17.483	(10.890)	6.593	15.827	(10.890)	4.937

Spend in 2017/18 If No Action Is Taken and Proposed Future Service Offer Investment

Service Offer	Gross Budget (The amount we would spend in 2017/18 if no action is taken)	Income (The amount we expect to receive in 2017/18 if no action is taken)	Net Budget (The cost to the County Council in 2017/18 if no action is taken)	Gross Budget (The amount we propose to spend in 2017/18 if the service offer is implemented)	Income (The amount we expect to receive in 2017/18 if the service offer is implemented)	Net Budget (The cost to the County Council in 2017/18 if the service offer is implemented)
	£m	£m	£m	£m	£m	£m
Libraries, Museums, Cultural & Registrars	22.078	(5.130)	16.948	16.815	(5.130)	11.685
Total Cultural Services	22.078	(5.130)	16.948	16.815	(5.130)	11.685
Adult Learning	10.425	(13.182)	(2.757)	10.425	(13.182)	(2.757)
European Social Fund Skills and Development	6.708	(6.708)	-	6.708	(6.708)	-
Economic Development	3.285	(0.023)	3.261	2.842	(0.023)	2.818
Total Economic Development and Skill:	20.417	(19.913)	0.504	19.974	(19.913)	0.061
Grand Total	1289.024	(443.487)	845.537	1144.897	(445.567)	699.329

Service Offer	Total Savings	2015/16 Savings	2016/17 Savings	2017/18 Savings
	£m	£m	£m	£m
Cost of Being In Business	8.813	4.375	1.706	2.732
Corporate Costs	(0.995)	(0.995)	-	-
Total Cost of Being in Business	7.818	3.380	1.706	2.732
Adult Disability Provider Services	0.567	0.397	0.085	0.085
Adult Social Care (Areas identified as being in scope for delivery of additional savings)	13.354	1.897	2.250	9.207
Care Navigation	0.065	0.065	-	-
Care Services Older People	1.313	0.149	0.807	0.357
Carers Services	0.300	0.300	-	-
Adult Social Care (Staff)	1.461	0.844	0.233	0.384
Commissioned Social Care Learning Disabilities (Adults)	36.830	13.519	14.605	8.706
Reablement	-	-	-	-
Personal Social Care - Maintained Equipment	1.000	0.300	0.700	-
Supporting People	4.778	-	-	4.778
Mental Health Commissioning	4.014	0.310	2.301	1.403
Children's Social Care	1.234	0.739	0.495	-
Residential Services, Fostering and Adoption	1.430	0.891	0.303	0.236
Safeguarding Inspection & Audit	0.044	0.044	-	-
Total Social Care	66.390	19.455	21.779	25.156
County Benefits	3.512	3.512	-	-
Adult Transport	-	-	-	-
Direct Support to Services We Provide to Adults	1.740	1.629	0.111	-
Total Other Services We Provide To Adults	5.252	5.141	0.111	-
Coroners Service	0.171	0.171	-	-
Total Coroners Service	0.171	0.171	-	-
Public Health & Wellbeing	23.183	8.882	7.904	6.398
Total Public Health & Wellbeing	23.183	8.882	7.904	6.398
Inclusion & Disability Support Service	5.141	2.763	2.378	-
School Catering	0.084	0.028	0.028	0.028
Lancashire Safeguarding Children's Board	0.061	0.061	-	-
Mainstream Home to School Transport	-	-	-	-
Provision Planning	0.155	0.155	-	-
Pupil Access	0.079	0.079	-	-
School Improvement	0.932	-	0.392	0.540
Traded Services	1.611	0.827	0.387	0.397
School Liaison and Compliance	0.048	0.048	-	-
Youth Offending	0.090	0.090	-	-
Direct Support to Services We Provide to Children & Young People	1.644	1.564	0.080	-
Total Other Services For Children & Young People	9.845	5.615	3.265	0.965
Highways	4.932	4.394	0.324	0.214
Sustainable Travel	0.463	0.051	0.412	-
Total Highway Services	5.395	4.445	0.736	0.214
Bus & Rail Travel	0.739	0.658	0.081	-
Total Bus & Rail Travel	0.739	0.658	0.081	-
Waste Management	20.053	18.000	1.053	1.000
Total Waste Management	20.053	18.000	1.053	1.000
Asset Management (Highway)	0.106	0.064	-	0.042
Countryside, Public Rights of Way and Environment and Community Projects	(0.093)	0.000	(0.093)	-
Design & Construction	0.328	0.108	0.220	-
Planning	0.258	0.081	0.177	-
Central Lancashire Masterplan Delivery	0.080	0.080	-	-
Direct Support to Services We Provide to Environment	0.977	0.977	-	-

Service Offer	Total Savings	2015/16 Savings	2016/17 Savings	2017/18 Savings
	£m	£m	£m	£m
Total Other Environment Services	1.656	1.310	0.304	0.042
Libraries, Museums, Cultural & Registrars	5.263	0.920	2.529	1.814
Total Cultural Services	5.263	0.920	2.529	1.814
Adult Learning	-	-	-	-
European Social Fund Skills and Development	-	-	-	-
Economic Development	0.443	0.443	-	-
Total Economic Development and Skills	0.443	0.443	-	-
Grand Total	146.208	68.420	39.468	38.321

ANNEX 1
SERVICE OFFERS

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Social Care Services

Service Offer	Adult Disability Provider Services (ASHW - SEO – 0012)
Gross budget 2017/18 (The amount we propose to spend)	£18.860m
Income 2017/18 (The amount we expect to receive)	(£1.231m)
Net budget 2017/18 (The cost to the County Council)	£17.629m
What is the service offer?	
IN HOUSE PROVIDER Adult Disability Services (what will be provided in 2017/18)	
DOMICILIARY LEARNING DISABILITIES (Supported Living)	
<ul style="list-style-type: none"> Support will be provided to around 144 tenants with complex needs in their own tenancies by around 300 FTE staff, actual numbers are dependent on the level of savings agreed & the number of tenants remaining in house. 	
DAY	
<ul style="list-style-type: none"> Support to around 586 people with disabilities (LD 500 & PD 86) in 12 day service buildings across the county Capacity is available within the current budget to continue taking referrals of people with complex needs until 2017/18 (i.e. approx. a further 50 referrals) 	
SHORT BREAKS	
<ul style="list-style-type: none"> Overnight residential Respite Support to approx. 400 LD clients with complex needs in 6 purpose built buildings & 2 refurbished domestic dwellings 	
SOCIAL INCLUSION;	
Shared Lives	
<ul style="list-style-type: none"> currently 365 clients are placed with Shared Lives carers (all client groups – majority LD) 196 long term, 68 daytime support, 95 Respite, 4 In your home support, 2 Kinship supports 	
Volunteers	
<ul style="list-style-type: none"> Currently 300 volunteers supporting over 370 individuals, this is reducing to 200 volunteers. The service will continue to support those in greatest need (meet eligibility for long-term care services) who receive little or no additional paid 	

support.

- The number of new referrals to the Volunteer Service will be reduced over time as people are signposted to other means of support.

Supported Employment Service

- The customer base of 650 clients will be reduced & changed gradually through a review of the referral pathway, by changing the criteria for access to the service and by revising the length of the support offered to clients. The Workchoice contract will be maintained in full until the contract is due for review in October 2015 with the aim to secure a similar service provision.

How will the service offer be provided?

Domiciliary – a mixture of in house and external providers or all external providers

Day – in house provider

Short Break/Respite – in house provider

Shared Lives – in house provider

Volunteers - mixture of in house and external providers

Supported Employment - mixture of in house and external providers

What will be different and why?

DOMICILIARY LD (Supported Living)

The Transfer of 55% of tenancies to external providers - i.e. 175 tenants with less complex needs living in 58 tenancies, with a corresponding reduction of approximately 273 fte staff. This will leave around 45% of tenancies in house, i.e. 144 tenants with complex needs living in 53 tenancies with around 300 fte staff

The service will also explore the scope for reconfiguring some of the remaining 1 and 2 person tenancies to create efficiencies and determine whether any tenants are eligible for Continuing Healthcare (CHC) funding, particularly those who require waking watch staff to provide care & support for health related needs during the night

There are a number of risks and issues relating to the transfer of tenancies to the independent sector, which are currently being evaluated as part of the pilot running to transfer the support of 26 tenants in 6 tenancies. The outcome of this evaluation and any potential changes that may be required to the current strategy will be considered as part of the normal decision-making process.

How does the service offer link with any other service offer(s)?

Commissioned Adult Social Care

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

	2015/16	2016/17	2017/18	Total
Total	£0.397m	£0.085m	£0.085m	£0.567m

Service Offer	Adult Social Care (Areas identified as being in scope for delivery of additional savings) (ASHW - SEO – 0021)
Gross budget 2017/18 (The amount we propose to spend)	(£13.354m)
Income 2017/18 (The amount we expect to receive)	N/A
Net budget 2017/18 (The cost to the County Council)	(£13.354m)

What is the service offer?

The above budgets reflect the current gap in savings against target for the services current delivered within the Adult Services, Health and Wellbeing Directorate.

The directorate is currently in the process of gaining approval to appoint a specialist external organisation to undertake a detailed review of adult social care systems and processes to highlight inefficiencies and waste and to recommend remedial action which will help to inform budget proposals for the three years 2015/2018. The review will focus on the following areas:

The end to end ASC pathway for the elderly population

- Identifying opportunity to re-engineer the existing care pathway to ensure that demand is proactively managed through having the right services in the right place and that people entering into the system are able to receive the most appropriate service, which focuses on promoting their independence.

The efficiency of the internal systems and processes

- Identifying opportunity to enhance productivity through best use of resources, unblocking system and process barriers, reducing interfaces and matching staffing profile to activity throughout the system.

The review will, therefore:

- Identify areas of potential improvement.
- Detail the specific operational problems.

- Quantify the potential saving.
- Develop a project plan with full financial and performance targets.
- Highlight improvement opportunities in service user care and outcomes.

This approach is being adopted by a growing number of Local Authorities. Discussions have taken place, particularly with a large County Council which adopted this approach as part of a Government funded efficiency initiative early in 2013. This has proved to be highly beneficial in identifying new areas of potential savings.

Until the review is complete and validated it is unclear as to the potential for additional savings over and above those already currently agreed or proposed in the individual service offers but discussions with some other authorities suggests there may be some significant additional areas.

How will the service offer be provided?

N/A

What will be different and why?

N/A

How does the service offer link with any other service offer(s)?

N/A

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

	2015/16	2016/17	2017/18	Total
Total	£1.897m	£2.250m	£9.207m	£13.354m

Service Offer	Care Navigation (ASHW - SEO – 0005)
Gross budget 2017/18 (The amount we propose to spend)	£0.427m
Income 2017/18 (The amount we expect to receive)	(£0m)
Net budget 2017/18 (The cost to the County Council)	£0.427m

What is the service offer?

To provide advice and guidance to citizens of Lancashire on behalf of the County Council. To undertake the brokerage of agreements on behalf of citizens of Lancashire with providers of Domiciliary and Residential Care.

How will the service offer be provided?

The service is to be fully aligned with the Adult Social Care service.

Delegation of the sourcing/brokerage of domiciliary and residential care along with providing advice and guidance to the citizens of Lancashire to this dedicated and professional support team, ensures Social Care professionals can dedicate their time to the required social care activities which require a qualified professional to be involved.

What will be different and why?

This service will increase in size to undertake a broader range of tasks currently undertaken by personal social care. The management structure will link directly to the Adult Social Care Service, therefore disestablishing the Grade 10 manager post. Team management will be from within the Care Navigation service.

The service will be supplemented by additional Business Support Officers administering the provision of community equipment tasks for the Occupational Therapists and Review and Support Officers (RASOs). These two services (Ops Admin and Care Navigation) both utilise the same parts of the Liquid Logic Adult Social Care System and Oracle and currently have a reliance on each other, therefore joining the two together will make additional service improvements. This will offer the ability to share the relevant tasks and ensure further that work is undertaken by the most appropriate grade of staff. This will additionally offer a development path within the service as the Business Support Officers in Ops Admin are a Grade 4, whereas the Care Navigators are a Grade 5.

With the implementation of the Care Act there may be a further role where links into the Customer Access Service are also needed, where the initial advice and guidance is provided at the front door, but then subsequent details and actual sourcing/brokerage is undertaken by the care navigation service. Further work is required on this in line with the Care Act requirements to ensure clear understanding of required service provision. This is expected to be developed with the project team over the next 12 months (2015)

How does the service offer link with any other service offer(s)?

This service offer links with Adult Social Care and Ops Admin for Business Support as identified above.

Over the coming months some detailed work with Adults Social Care will take place to ensure the service is designed to encompass the changing needs of Social Care.

Further work is required on the role Customer Access may play in the future under

the Care Act 2014 requirements and offering advice and guidance to all.

Outline annual transition plan for 2015/16 , 2016/17 and 2017/18

Align the service directly reporting into Social Care in 2015/16. The cost of travelling expenses can be reduced although the service will continue to undertake some provider visits. The service is very technology based and has limited need for paper and printing, therefore the Multi-Functional Device (MFD) costs can also be reduced.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

	2015/16	2016/17	2017/18	Total
Total	£0.065m	-	-	£0.065m

Service Offer	Care Services (Older People) (SEO 6005)
Gross budget 2017/18 (The amount we propose to spend)	£14.933m
Income 2017/18 (The amount we expect to receive)	(£8.022m)
Net budget 2017/18 (The cost to the County Council)	£6.912m

What is the service offer?

Residential homes for older people
Day time support services for older people

N.B. The reablement service is not covered in this service offer

How will the service offer be provided?

The service will be provided by in house resources using existing residential homes for older people and day centres

What will be different and why?

We will review the number of care homes to establish the overall number of beds required. We will consider a range of issues including condition surveys and occupancy levels in determining whether our current level of provision is appropriate.

In residential homes where there are currently two waking officers working overnight and one officer sleeping in, the sleeping in arrangements will be changed so that no

officers sleep at the homes. Instead, officers would be on call to respond to issues.

This will release a number of bedrooms in the homes which can be occupied by residents. The marginal cost of accommodating 1 additional resident is extremely low as there is typically no additional staffing requirement.

We will consider options to convert a proportion of the existing space within day centres to residential provision.

We will review the number of day centres to establish the overall level of need and to determine whether our current level of provision is appropriate.

We will review our staffing needs and recruit additional workstart employees to provide to cover staff absences within residential home. This will avoid some use of agency staff and existing staff working additional hours.

How does the service offer link with any other service offer(s)?

Directly links with older people – in house.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

2015/16 - Cessation of nursing beds. Increase in residential beds phase 1. Employ Workstart staff.

2016/17 – Increase in residential beds phase 2. Implementation of proposals arising from review of day centre provision. Change to sleeping in arrangements

2017/18 – Implementation of proposals arising from review of residential care homes

	2015/16	2016/17	2017/18	Total
Total	£0.149m	£0.807m	£0.357m	£1.313m

Service Offer	Carers Services (ASHW - SEO – 0009)
Gross budget 2017/18 (The amount we propose to spend)	£1.803m
Income 2017/18 (The amount we expect to receive)	(£0m)
Net budget 2017/18 (The cost to the County Council)	£1.803m

What is the service offer?

It is anticipated that carers services will deliver the following:

1. Emergency planning service (Peace of Mind for Carers) - The service will provide

up to 72 hours of replacement care in situations where the carer can no longer provide the care due to an unplanned/unforeseen circumstance. The service will develop a plan of emergency care with the carer and the cared for person and be ready to be activated 24/7, 365 days per year. It is anticipated that around 600 new emergency plans will be completed per month across the county.

2. Carers Assessments - The service will offer carers the opportunity to have a carers assessment where the carer requests a separate assessment to the person they care for. It is anticipated that around 600 carers assessments will be completed monthly.

3. Time for Me - The service will provide grants of around £350 to carers who are not eligible for a carers Direct payment. The grant can be spent on anything that will give the carer a break from their caring role. It is anticipated that around 700 carers will access a Time for Me Grant.

4. Specialist workers - The service will have a range of specialist workers including BME and Dementia workers.

5. Information, support, signposting and advice and forums - The service will offer a 8am-6pm telephone helpline, a 24/7 volunteer peer support line, range of social media and offer face to face visits. The service will provide a range of support groups developed in response to carer request/need. The carers service will facilitate local and Lancashire wide carers forums. It is estimated that by 2017/18 around 25,000 carers will be registered with carers services.

6. Sitting in Service- A volunteer manned sitting in service will be available to carers to enable them to have a break. The sitting in service will support at least 200 carers per month to have a break.

7. Former carer support- Former carers will be supported for up to two years after their caring role ends. This is in recognition of the fact that carers at the end of their caring role can face bereavement, financial difficulties, housing issues, lowered confidence, unemployment etc.

8. Trips, activities and courses - A range of courses, trips and activities will be offered to carers to enable them to have a break.

9. Carers Awareness Training - All organisations who come into contact with carers will have access to carers awareness training delivered by the carers service. The training will be tailored to the organisation's needs. At least 20 carers awareness sessions will be delivered per month.

10. Forums - There will be a range of local forums feeding into a Lancashire wide carers forum facilitated by the carers service.

Pukar

Pukar is a BME specific resource centre located in Central Preston. The service provides:

- A range of courses, including IT and ESOL

- Translation support
- Case work with BME families
- Drop in facility for carers and people with disabilities

Short Break Beds

There will be three short break beds that carers are able to book in advance using their Direct Payment. The beds will be for the use of adults 18+ no matter what the level of need.

How will the service offer be provided?

Contracts will be in place with carers service providers and are in the process of being retendered. New contracts will be in place from 1st of April 2015.

A contract is currently in place with Pukar until March 2016.

Carers will be able to book a short break bed in advance and use their Direct Payment (replacement of Short Break Vouchers)

What will be different and why?

The Care Act sets out the new duties local authorities have in respect of carers. The Act recognises carers as having the same rights as those they Care for. Under the new Act, all carers will have a right to have a carers assessment irrespective of the level of care they are providing. This potentially will result in far greater numbers of carers requesting an assessment impacting on levels of funding that will be required to increase carers service capacity to meet new demand. It is unclear at this point if additional government funding will be made available to support this potential increase.

Carers assessments will be delivered by Carers Centres to support the requirement of the Care Act.

There is no intention to reduce the service or the offer to carers, however, we have identified a £300,000 underspend which can be offered up as a saving. This saving is in addition to the savings identified as part of the 10% challenge (£200,000)

There will be no change to the Pukar service.

Carers will be able to book a short break bed in advance. This is currently an issue for carers a most providers of residential care do not retain a permanent short break bed preferring to use any vacant beds they have for permanent placements as this is a guaranteed income. This means that carers are not able to book vacant beds in advance or run the risk of having the bed cancelled should a permanent placement become available.

How does the service offer link with any other service offer(s)?

The service links closely with Personal Social Care teams particularly around carers assessments. It is anticipated that the Carers Centres service will over time increase the numbers of carers assessments they deliver and potentially commission support

directly.

There is a specialist county mental health service currently supporting carers.

The short break beds will link closely to the replacement of Short Break Vouchers and the introduction of Direct Payments for carers. This will also link to carers assessments.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

	2015/16	2016/17	2017/18	Total
Total	£0.300m	-	-	£0.300m

Service Offer	<p>Adult Social Care (Staff): Safeguarding Enquiry and Quality Improvement Team, Emergency Duty Team Mental Health staffing, Mental Health management & Early Intervention Team & Secure Commissioning ACS training (ASHW - SEO – 0007)</p>
Gross budget 2017/18 (The amount we propose to spend)	£30.654m
Income 2017/18 (The amount we expect to receive)	(£6.420m)
Net budget 2017/18 (The cost to the County Council)	£24.234m
What is the service offer?	
<p>Personal Social Care provides assistance to identify and meet the needs of adults at risk in our local communities. Our services are about putting people first – assessing for practical support, promoting independence, reducing risk and keeping people safe.</p>	
How will the service offer be provided?	
<u>Safeguarding Enquiry Service</u>	
<p><u>Multi Agency Safeguarding Hub</u> – part of the service to provide a front door into social care for all ages ranges. It will screen safeguarding enquiries referred from the Customer Service Centre, police and other partners to assist in the Councils</p>	

safeguarding response to vulnerable adults. It will collate information to assist with strategic planning for the council and early intervention/prevention developments.

Safeguarding Teams – The teams will plan and deliver person centred safeguarding enquiries and develop safeguarding plans to protect vulnerable adults and to lessen or eliminate any future risks. They will act within the legislative framework in terms of our obligations to adults at risk i.e. The Care Act and Mental Capacity Act.

The Safeguarding Enquiry Service will link with other council services and wider partners to develop the Councils safeguarding response to adults at risk.

Deprivation of Liberty Safeguards – a team of professional staff working to ensure that Deprivation of Liberty Safeguards are applied to protect the interests of adults at significant risk.

Quality Improvement Service – A proactive multi-disciplinary team including commissioning and contracts to improve the quality of care provision in the county thereby reducing the risks of poor care, negative outcomes and retrospective safeguarding work

Adult Social Care

Screening and Initial Assessment Service - part of the social care response to provide a front door into social care for all adults. It will screen referrals for support, making decisions early and offering an immediate response in crisis situations. It will allocate cases for social care assessments, including aids and adaptations

Hospital Intake Service - part of the service to provide a front door into social care for all adults. Sited in Acute Trusts and working alongside health colleagues to provide timely and safe discharges from hospital.

Social Care Teams – the teams will offer support with assessment to identify social care needs and to calculate personal budgets. They will sign off support plans to ensure that social care needs are met and ensure that plans are reviewed periodically. They will provide ongoing social work support in complex situations Tasks will be assigned to others where appropriate.

Transitions – a service offer that is agreed when young people are planning their transition to adulthood that will transfer to Adult Social Care without the need for further assessment, thereby reducing process and also enabling families to plan for adulthood at a much earlier stage.

Mental Health Services

Mental health staffing

Lancashire County Council (LCC) budget predominantly funds professional staff (Social Workers) and non-professional (Support, time and recovery workers) in the following mental health areas:

- Complex, Care and Treatment Teams

- Recovery teams

Areas for which we have budget, but are often funded from other parties (with limited scope for making savings) are:

- Early intervention teams / Crisis resolution
- Secure services

Mental Health services are currently delivered in partnership with Lancashire Care Foundation Trust.

What will be different and why?

Person centred services

- Increased self-assessment, support planning and review, to promote personalisation
- Increased focus upon case ownership to reduce transfers to provide a person centred service

Workforce and workload management

- Finding resolutions as early as possible to avoid unnecessary activity and manage demand and workflow.
- A change to the skill mix within teams - working to a clear definition of professional input with redefined and expanded roles for non- professionally qualified staff to support professional practise and to make the most cost effective use of the workforce.
- Reducing bureaucracy through more professional autonomy supported by management through audit and workload management reducing reliance upon systems and processes.
- Sharpen processes in key areas i.e. best interest meetings, safeguarding meetings, deprivation of liberty safeguards.
- New computerised systems enabling more efficient recording.

Working in partnership

- Delegation to and reliance upon other services/organisations to complete social care tasks, with the local authority maintaining oversight and validating work done, to avoid duplication and unnecessary activity.
- Providers potentially offering peer to peer safeguarding enquiries
- Health taking a greater lead for completing safeguarding enquiries for Health Commissioned Services
- Longer term prevention tied in with quality improvement teams which are integrated with Health, Contracts, Commissioning with a view to reduce activity and raise standards
- Improved Contracts with Providers and joint auditing of services from health and social care with more robust standards.

Mental Health

- The number of Mental Health staff will reduce
- We will renegotiate the cost of the management structure for Mental Health with Lancashire Care Foundation Trust.

Other changes

- Efficiencies in training budget following staff reductions and renegotiation of the Workforce Development Grant payment.
- Integrate front door services wherever possible, in line with the Corporate Strategy, to reduce duplication, assure value for money and most importantly to protect and support adults at risk.
- DBS Rechecks - there is no legal requirement for annual rechecks of staff.

How does the service offer link with any other service offer(s)?

- Potential areas for balancing savings (Newton review)
- Purchasing General
- Learning Disabilities
- Carers
- Social Care Procurement

Interdependencies

The service offer is dependent upon:

- Effective early intervention and prevention services.
- Development of Integrated Neighbourhood Teams
- Increased decision making at the Customer Access Centre.
- Revised Re-ablement offer and development of transitional care services
- Change in support from other services, such as Care Navigation and Business Support.
- Co-operation and agreement from other organisations, particularly health, to work to "single assessment" principles, opening up access to transitional care services
- Availability and access to other options for self-support (peer support networks), support planning (community brokerage)
- Implementation of the new provider frameworks and agreement with providers to support individual service funds and provide support planning and review.
- Impact of Care Act requirements
- Continued co-operation of internal and external partners to implement new developments.

Outline annual transition plan which sets out the savings profile for 2015/16 , 2016/17 and 2017/18

The transitions plan has been previously presented (particularly in regard to non-mental health adult social care staff) and the equivalent of approximately 75 staff still need to leave the service in order to achieve the previously agreed level of cabinet savings.

The transitions plan is across both Adult Social Care and Safeguarding/Quality Improvement and dependent upon the links listed above.

2015/16- reduction in staff dependent upon

- Revised reablement Offer – the merging of reablement and mainstream Personal Social Care assessment activity will require training and development of all staff in Adult Social Care. Care finding will be enhanced to support care navigation and integrated neighbourhood team development
- Increased use of other support services – customer service centre, care navigation, finance and admin to undertake non-social work/managerial tasks freeing Personal Social Care staff time to focus on professional activity (this may require disinvestment in social care staff and reinvestment in support staff)
- Increasing use of technology on home visits by new IT equipment which will start to be available to staff at end of 2014. This will require training for staff on use of new equipment and a change in working practices to reduce travel time and re-keying of information gathered on home visits.

2016/17

- Improved demand/workload management leading to better through put of cases which is dependent upon increasing familiarity with the new IT system, a fully functioning Screening and Initial Assessment Service and robust caseload management
- Development of self-assessment, support planning and review. Self-assessment is dependent upon new technology and will be initially associated with the approach to self-funders with the implementation of aspects of the Care Act. In time this can also be used for new and existing customers to Personal Social Care but needs to be supported by resource within Personal Social Care to oversee and sign off. Other self-support options will also be developed.
- Increase in provider support planning and reviews will be included in expectation within the new provider framework which is due for implementation from summer 2015 but the impact will not be fully realised until service users are transferred to new providers or take up a direct payment.

2017/18

<ul style="list-style-type: none"> • Introduction of easier access to care in Integrated Neighbourhood Teams and increased reliance upon other professionals' assessment information. Due to the varying pace and models of Integrated Neighbourhood Teams in development, it will be necessary for social care to be clear about the staffing resource to be made available to the teams with continued management within PSC to ensure that any resulting savings can be achieved. • Impact of early intervention and prevention services reducing demand which is dependent upon fully functioning Integrated Neighbourhood Teams and public health initiatives. • More effective integration with more reliance upon information gathered by other professional to enable decisions on social care provision. • Impact of quality improvement teams to reduce safeguarding enquiries from residential homes 				
	2015/16	2016/17	2017/18	Total
Total	£0.844m	£0.233m	£0.384m	£1.461m

Service Offer	Commissioned Adult Social Care Learning Disabilities (ASHW - SEO – 0004)
Gross budget 2017/18 (The amount we propose to spend)	£293.954m
Income 2017/18 (The amount we expect to receive)	(£94.535m)
Net budget 2017/18 (The cost to the County Council)	£199.419m
What is the service offer?	
<p>A contribution towards practical support to people eligible for Social Care and their carers delivered in a number of ways including:</p> <ul style="list-style-type: none"> • Person Centred Support, including direct payments, domiciliary care, supported living and Shared Lives. • Long and Short Term Residential care for older adults, people with learning disabilities and people with physical disabilities • Aids and adaptations including telecare. • Respite and short breaks for carers. 	
How will the service offer be provided?	
<ul style="list-style-type: none"> • Information, advice and signposting • Crisis support • Rehabilitation, recovery and reablement 	

- Safeguarding of vulnerable adults
- Assessment, support planning and review and ongoing social work support to service users and their carers

What will be different and why?

The new offer will represent a move towards a more equitable and consistent offer to citizens. This will take time and investment to realise.

The service offer can be summarised into 2 broad areas of activity;

- Time limited, targeted support, crisis, reablement, maximising opportunities for the use of telecare and supporting self-management.
- Long term support through personal budgets in conjunction with personal health budgets and Education, Health Care Plans for young adults

Taking into account the anticipated impact of the new integrated wellbeing service for adults at risk, reablement and telecare the offer for helping people to stay at home will reduce. The majority of people with eligible care needs mostly live at home, alone or with family carers, in residential care or in extra care housing. Shared Lives is becoming more widely available.

This will require all individuals to be reviewed, including those individuals currently receipt of Independent Living Fund (ILF) which is to transfer to Local Authorities from July 2015 and will not be ring-fenced, and consideration given to alternative ways of meeting their needs, including wider wellbeing services including assistive technology and equipment. The programme of review activity will incorporate the principles of self-directed support including access to advice and information regarding help and support available to Lancashire citizens through services such as leisure facilities, education services and local clubs.

The reviews will also ensure that citizens, where eligible, are able to access continuing healthcare (CHC) which is care arranged and funded solely by the Health service in England for a person aged 18 or over to meet physical or mental health needs that have arisen because of disability, accident or illness.

Implementation of the new service offer will lead to a reduction in the overall budget required to meet long-term care needs and enable the move towards a more consistent and fair approach across client groups. The overall budget available for community based support will therefore reduce overall by a different percentage across client groups to reflect the move to a more equitable offer.

On physical disabilities the reduction will be 20%, learning disabilities 15% and older people services 7%. By way of illustration, this would result in the following average gross weekly cost packages of community based support going forward:

Physical Disabilities – £212 per week as an average across the overall budget
 Learning Disabilities – £388 per week as an average across the overall budget
 Older People - £170 per week as an average across the overall budget

Work is also progressing to agree a new scheme for Older People Residential and

Nursing Home fees and development of the new Learning Disability framework. The outcome at this point is uncertain given the stage that both procurement processes are at, but it is anticipated that there is scope for efficiencies as a result of collaborative working between the successful providers and the County Council, with a combined focus on delivering services more efficiently and effectively.

There is also an organisational commitment to the expansion of extra care capacity across Lancashire with an expectation that a small number of schemes should become operational by 2017/18. It is estimated that this will deliver a net saving based on the reduced cost of supporting individuals within an extra care setting as compared to residential care.

How does the service offer link with any other service offer(s)?

- Adult Social Care staffing– the proposals are dependent on a significant temporary investment in staffing.
- Aids and Adaptations – Work outlined in the Aids and Adaptations Service offer will have a direct impact on the commissioned services spend, this work will support the reductions in offer as people are more independent with the correct equipment.
- **The Service offer outlining work in respect of reablement impacts on spend on commissioned services with fewer people requiring ongoing care as the service grows and can be delivered to more people, who will be supported to regain former skills or to develop new skills to enable them to continue to live at home with more modest support arrangements. An estimated saving of £4.2m is included in the below table.**

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

The transitions plan for reducing the third party budget.

2015/16- reduction in expenditure on packages of care

- Is dependent on review activity being completed to reduce individual packages of care. This would need to be managed as a full scale PSC project with managers and staff outside of mainstream PSC activity as will require realigning packages within a new Resource Allocation System. This will be time consuming and intensive work likely to result in complaints which will need to be managed.
- The project will to include the current Learning Disability Remodelling activity and resource in its remit.

Risks:

Reducing the offer to service users may result in speeding up deterioration in service users health and wellbeing leading to increased crisis situations, admissions to hospital and residential care, increased impact upon informal carers.

2016/17

- Developing a small team to focus in transferring packages of care to continuing health care as part of the review activity project. The success of this is dependent on the continued co-operation of health partners.

The above Service Offer does not take into account the impact of the Care Act as the detailed regulations are still awaited.

	2015/16	2016/17	2017/18	Total
Total	£13.519m	£14.605m	£8.706m	£36.830m

Service Offer	Reablement (ASHW - SEO – 0022)
Gross budget 2017/18 (The amount we propose to spend)	£3.862m
Income 2017/18 (The amount we expect to receive)	(£0m)
Net budget 2017/18 (The cost to the County Council)	£3.862m

What is the service offer?

In 2017/18 we will deliver reablement to 7,055 people compared to 2,926 in 2014 which will result in a projected net saving to the Council of £5.2m, £1M of the savings has already been built into the current financial strategy therefore a remaining £4.2M can be offered as an additional savings.

We will do this by:

1. Improving access to the service so that more people can benefit from the service
2. Reducing the unit cost of delivering the service

How will the service offer be provided?

Reablement aims to help people re-learn valuable life skills that may have been lost due to a period of illness or incapacity. People are supported and encouraged to gradually do more for themselves with the ultimate aim of maximising their independence. This minimises the need for long term social care support and reduces pressure on the Council's budget.

Anyone referred to the Council for social care, whether a new customer or an existing customer whose social care needs have increased, who has the potential to benefit from reablement, will be offered a period of up to six weeks reablement to help them increase their level of independence and reduce demand for ongoing social care support. Personal Social Care will assess the person and, as long as they have the potential to benefit from reablement, will agree with the person a reablement plan setting out the goals they will be supported to work towards. Through the domiciliary framework, a provider will be sought to work with the person over a period of up to six weeks to deliver the plan during which time the amount of support will reduce as the person's skills and confidence increase. At the end of the period of reablement PSC will review the person's progress against their reablement plan and determine whether they have any ongoing needs. These will be addressed in line with the Council's eligibility criteria.

What will be different and why?

The reablement assessment process will be much simpler and more accessible. The reablement assessment function that is currently located within Lancashire County Commercial Group (LCCG) will be integrated with the Personal Social Care (PSC) assessment function. Reablement will be our first offer to all new customers and to existing customers who have an increase in their level of need. This will mean that access to reablement is much easier and will enable more people to benefit from the service.

It is intended that reablement support in future will be provided through the domiciliary framework. This will reduce the unit cost of reablement support.

How does the service offer link with any other service offer(s)?

The reablement service offer links to and supports both the commissioned adult social care and adult social care (staff) service offers.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

The saving has been built into the Commissioned Adult Social Care Learning Disabilities offer at a savings value of £4.2million.

- Assessment function transferred into PSC, guidance produced and published, staff fully trained, required system changes in place and fully operational.
- LCCG reablement support staff redeployed within the Council or taken VR.
- Commence transfer of reablement business to providers within domiciliary framework
- Commence growth in reablement delivery capacity amongst domiciliary framework providers towards target capacity for 7,055 people per year.

2016/17

- Complete transfer of reablement business into domiciliary framework
- Training for domiciliary framework providers around reablement delivery

- Growth in reablement delivery capacity amongst domiciliary providers to achieve target capacity for 7,055 people per year.

2017/18

- Operation of new service model, delivery of projected savings.

Service Offer	Personal Social Care - Maintained Equipment ASHW - SEO - 0011
Gross budget 2017/18 (The amount we propose to spend)	£4.459m
Income 2017/18 (The amount we expect to receive)	(£0m)
Net budget 2017/18 (The cost to the County Council)	£4.459m

What is the service offer?

This is the minimum offer that will meet Lancashire County Council's (LCC) statutory requirements, the offer relates to adults only. Some councils have taken this approach others have continued to provide maintenance of equipment and made a charge to service users.

- An Occupational Therapist will assess the persons need for adaptation in line with the Disabled Facilities Grant (DFG) guidance
- If a recommendation is made that an item of equipment is needed as part of the DFG i.e. stair lift, through floor lift, wash and dry toilet, rise and fall bath, step lift the District council will be responsible for the supply and installation of the equipment
- The equipment will be provided with the manufacturer warranty usually 12 months/2 years
- Once an item of equipment is installed by the District Council customers will be informed that the equipment belongs to the customer and it is their responsibility to continue to have the equipment serviced once the warranty expires
- Customers will make their own arrangements to have equipment removed when it is no longer needed
- People who fail the test of resources for Disabled Facilities Grants will be signposted to self-funded options for equipment.

- People who need an urgent item of equipment to meet End of Life (fast track) needs will be allocated as urgent to District Councils or provided with rental equipment options from the loan store
- Adults whose needs can be met through the provision of a ceiling track hoist or Gantry Hoist will have the most cost effective equipment option funded by LCC, District councils will continue to fund the building works associated with installation of hoists. LCC will provide maintenance and removal of equipment
- A new single Community Equipment Service for the whole of Lancashire jointly commissioned by LCC and the Clinical Commissioning Groups (CCGs) to replace the services currently provided by three NHS Trusts at four separate sites. The aim is the new service will maximise economy of scale benefits in terms of the logistics costs; the procurement of equipment; improved recycling of items; and an opportunity to standardise the equipment offer.

How will the service offer be provided?

- The occupational therapy assessment will continue to be provided by LCC or commissioned health occupational therapists.
- LCC will contract for the supply, install, maintenance and removal of ceiling track hoists for Adults
- District councils will make their own arrangements for supply of equipment
- Service users will make their own arrangements for maintenance
- LCC will develop an exit strategy for the existing maintained equipment

What will be different and why?

In brief the existing arrangements are:-

Quotes are obtained from equipment providers as part of the supply, recycle, install and removal contracts that are held by LCC, items are provided with a 5 year warranty

- Once approved under DFG District Councils are recharged for the cost of the lift and installation including extended warranty
- Equipment is signed over from the individual to LCC making LCC legally liable for its maintenance
- LCC currently cover the cost of removal and recycling of the equipment
- LCC currently cover the cost of twice yearly servicing once the 5 year warranty expires
- LCC fund ceiling track hoists for all North and Central districts

What will be different and why?

The DFG guidance states that DFG funding cannot be used to fund extended warranties or maintenance of equipment. DFG funding would be used more effectively by not funding extended warranties therefore generating savings for district councils. LCC would not have any involvement in the supply, install, maintenance and removal of equipment (except ceiling track hoists). By ceasing the sign over of equipment to LCC, the Council would no longer be legally liable for maintaining the equipment therefor making savings for LCC.

The existing maintenance agreements for equipment which no longer have a manufacturer's warranty would need to be revoked and a legal position will be needed.

LCC will no longer fund fast track stair lifts for end of life care, the arrangements for this offer are currently inequitable as LCC only fund straight lifts. Many of the items ordered are cancelled or removed within a number of weeks.

If the existing maintenance agreements cannot be revoked then LCC will need to continue to maintain this equipment for a number of years.

From 1st April 2015 West Lancashire, South Ribble, Preston, Chorley district councils will be making their own arrangements for the supply of equipment outside of the contract with LCC, and will not be funding an extended warranty. From 1st April the supply and maintenance arrangements will be inequitable across the county and will place more pressure on LCC finances therefore the current arrangements cannot be maintained.

Items of equipment will not be removed or recycled when no longer needed, the savings that district councils make from access to recycling are part funded by LCC paying for the removal of equipment. There are a number of organisations that can offer a removal service to customers.

How does the service offer link with any other service offer(s)?

- The current contracts cover children and adults and equipment within schools, the CYP offer will need to be determined.
- A service offer will need to remain in place for Schools which is currently managed through the environment directorate
- PSC staff carry out 3,500 telephone reviews for people who have stair lifts only this is not a statutory requirement and this requirement will cease under this proposal.
- LCC Admin staff, finance staff and environment are involved in the current ordering, recharging and maintenance process

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

2015/2016 –

- Revised DFG guidance agreed.
- No additional equipment added to the current maintenance list.
- Agreed pathway for ceiling track hoists and
- Cease the supply of fast track equipment.
- Supply, installation and removal contracts renegotiated
- Maintenance contracts retendered 1+1.
- Early means test for DFG in place.
- Self-funded options publicised.
- Public consultation/communication plan.

2016/2017 –				
<ul style="list-style-type: none"> • Maintenance agreements revoked. • Replacement programme for obsolete equipment agreed. • Contract for ceiling track hoists retendered. • Supply and maintenance of ceiling track hoists to remain as LCC business. • All other LCC involvement in the maintained equipment supply chain ceases. 				
	2015/16	2016/17	2017/18	Total
Total	£0.300m	£0.700m	-	£1.000m

Service Offer	Supporting People (ASHW - SEO – 0019)
Gross budget 2017/18 (The amount we propose to spend)	£8.393m
Income 2017/18 (The amount we expect to receive)	(£0.800m)
Net budget 2017/18 (The cost to the County Council)	£7.593m

What is the service offer?

Original £4 million savings to be implemented by April 2015

The following proposals have been recently agreed:

- to reduce funding of floating support services by around £1.6 million
- to reduce mental health hourly rates
- to decommission family intervention projects
- to reduce supported lodgings funding by £100k

A further proposal is due to be considered by the Cabinet Member on 8th December 2014 to reduce funding for sheltered housing by £2.5million

The impact of the above savings on budgets are as follows:

- **Older people's sheltered housing and community alarm services** - 12,000 older people receive financial assistance. The remaining budget after savings are applied in April 2015 will be £2.5 million
- **Supported accommodation for people with mental health issues** – The remaining budget after initial savings have been applied will be approximately £1,098,373
- **Supported lodgings** – The remaining budget after savings are applied in April will be £362k
- **Floating support services** – The remaining budget after savings are applied in April 2015 will be between £1.3

- **Short term supported accommodation services** - The current funding for short term supported accommodation £6.058m. Whilst services have been given a primary client group designation, most people will have multiple needs.

However, £600k savings have still to be identified and implemented by July 2015 from the short term accommodation based service and/or mental health services. We are seeking to identify opportunities to secure greater value for money and to reconfigure services in such a way that there is less reliance on Supporting People finance.

Proposed Future Savings

The proposed additional budget reduction of £4.8 million (which includes the previous £1.8M proposed reduction published on the 6th Nov) will reduce the quantity of services and the level of support able to be offered by services.

Given that district councils have strategic housing and homelessness responsibilities, it is important that discussions take place with the districts prior to any more detailed proposals being developed regarding short term services (supported accommodation and floating support)

How will the service offer be provided?

Services are in the process of being tendered with the exception of sheltered housing which will be directly awarded. Sheltered housing providers will be offered a two year contract. Short term accommodation providers and floating support providers who win tenders will be offered contracts for 2 years, with an option to extend contracts for up to a further two years at the discretion of the County Council. However any organisations submitting tenders will be advised that given the level of savings to be secured by April 2017 some services may be de-commissioned as at 31st March 2017

What will be different and why?

We are proposing to cease funding for sheltered housing with effect from 31st March 2017. This would generate £2.5 million savings. Delaying the implementation until 2017/18 would give providers around 2 years to put plans in place to reconfigure services. The Supporting People budget funds the support costs for people who are eligible for financial assistance, whilst housing benefits funds the housing element. This proposal only relates to the support element.

It is likely that the impact of the reduction will be a combination of the following:

- a greater focus on housing management
- removal or reduction of support
- charging of tenants

Consultation will be undertaken with district councils, support providers and service users in order to fully understand the impact of the proposal to remove Supporting People funding from sheltered housing. The findings from the consultation will be shared with the Cabinet Member prior to any final decision being made.

The remaining £2.3 million savings will be identified from funding for short term

supported accommodation services, floating support services and supported living services for people with mental health issues.

We will be seeking to identify the most suitable approach to delivering the savings over the next 12 -18 months. This will include determining, through consultation, the most appropriate service models to commission within the context of reduced funding.

The impact of the following will be considered as part of the process:

- the integrated wellbeing service,
- the development of community asset based approaches and
- local housing markets

How does the service offer link with any other service offer(s)?

Overall consideration needs to be given to Supporting People in the context of Public Health and our overall approach to health and wellbeing.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

	2015/16	2016/17	2017/18	Total
Total	-	-	£4.778m	£4.778m

Service Offer	Mental Health Commissioning (ASHW - SEO – 0017)
Gross budget 2017/18 (The amount we propose to spend)	£26.991m
Income 2017/18 (The amount we expect to receive)	(£8.154m)
Net budget 2017/18 (The cost to the County Council)	£18.837m

What is the service offer?

An integrated service provision for adults with mental health problems in Lancashire that is based around rehabilitation and recovery rather than maintenance and creating dependence. It will be made up of distinct elements that work together. The offer will be based upon the principles and proposed actions contained within the Recommissioning Mental Health Services project, initiated in 2013, of less reliance on residential and nursing home care, greater access to community alternatives either in people's own homes or in supported living settings and improved journey throughout the "system". In addition it will use the review of rehabilitation services carried out recently on behalf of the Clinical Commissioning Groups (CCGs) and three Local Authorities to develop a systematic approach across both health and social care commissioning resulting in effective rehabilitation services.

The offer will promote fewer long term residential and nursing care placements, greater access to home care, a rehabilitation system that prevents unnecessary long stays in residential care, greater access to supported living settings when living independently is not an option, and home care that is fit for purpose.

The offer will make better use of universal services such as the Integrated Wellbeing Service for Vulnerable Adults.

The offer will also see a shift from the current models of commissioning support, increased access to Self-Directed Support and personal budgets. This shift will be made through a process of review of all service users and where possible through the reconfiguration and reengineering of the service.

How will the service offer be provided?

It is recognised by Health and Social Care Organisations that there is a need to redesign the whole system of mental health provision in Lancashire, many existing services are outdated, fragmented and do not offer either positive outcomes or value for money.

The offer will be:

Rehabilitation: A model of rehabilitation developed, with the CCGs that is the first intervention and a thread through all support. People will be actively supported and case managed to ensure they continue to receive the appropriate support to meet their needs.

Residential/Nursing Home: A specialist residential/nursing care market working within an agreed framework. A new fee structure will be developed.

Home Care: A specialist home care market working within an agreed framework which will work to clear quality standards and expectations.

Supported Accommodation: Increased capacity that enables people to step down from residential settings. Support will be delivered through the Self Directed Support process and supported where appropriate by statutory mental health services, e.g. Home Treatment, Crisis resolution teams, community rehabilitation teams, community restart and universal services.

Lancashire Care Foundation Trust (LCFT) Services funded by Lancashire County Council (LCC)

These services are currently block contracted with LCFT and contain elements of rehabilitation, supported living services and community supports. There will be a shift to providing services through Self Directed Support and Personal budgets.

All elements need to work together to ensure that the offer can be made within the

financial envelope even though the greatest shift in reducing cost will be around residential/ nursing care. This is especially true of the new rehabilitation model which will be the main driver behind all direction of activity and associated spend.

What will be different and why?

There will be an overall reduction in the number of residential and nursing home placements for people with mental health needs to reduce cost and the high dependency upon residential care in Lancashire compared with other authorities. Lancashire County Council currently spends 44.3% of its Mental Health budget on residential/nursing placements compared with 35% average in comparator local authorities.

Existing residential and nursing care home placement levels will be reduced year on year through a targeted programme of review. Placements currently run at approximately 400 and will reduce to 300 (full year equivalents) by 2017/18 through a programme of providing alternative, more appropriate supports. A review programme will reduce length of stays in residential and nursing home care.

Fees for residential and nursing home placements, for Mental Health, will be set within a new contract framework. The current average weekly cost of a Residential or Nursing care home placement for mental health is £786. The new fee structure would remove the current significant cost variations and ensure that cost is proportionate to and reflective of need.

Better proactive management of the market in residential and nursing home care will ensure that capacity and quality is maintained.

A new model for rehabilitation is being developed across the NHS and social care which will be tested during 2015/16. This will be the foundation for ensuring that individuals will receive the most appropriate service in the right setting. This service will enable more efficient and effective use of resources.

There will be joint funding arrangements with Clinical Commissioning Groups (CCGs), which will be set within strong governance frameworks to ensure consistency in decision making and sharing of risk.

Home care services will be fit for purpose having suitably trained staff, with the right level of knowledge of mental health issues, who can work within the overall approach to promoting independence.

Home care fees will be reviewed and rationalised under a framework, the process for this will mirror the process used to develop a framework for home care for older people.

Existing services with LCFT will be redesigned to support the new model of service.

The new service is predicting a reduction in the estimated level of future demand by

35% going forward, for long term services.

Current engagement with providers has shown that there is an understanding of the need for, and a willingness to engage with, the transformation of the system, including putting placement numbers and fee levels under scrutiny.

How does the service offer link with any other service offer(s)?

The offer links with the Personal Social Care Staff offer, as delivery will depend on sufficient review capacity being available.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

Any costs relate to current budget and spend levels and will be applied within any budget variations to 2017/18

2015/16

- The impact of any home care fee change will be taken into account
- A targeted review programme to reduce residential and nursing home care placements (full year equivalent) from 400 to 350
- Develop and introduce residential and nursing framework including fee banding by 31/03/2016. This will include extensive engagement with providers and be part of the joint work with CCGs to develop service specifications.
- Run the pilot rehabilitation pathway and assess effectiveness of approach, subject to agreement of all partners.
- The potential cost of alternatives to residential care (e.g. home care) is taken into account
- Develop and introduce home care framework by 31/03/2016. This will include extensive engagement with providers and be part of the joint work with CCGs to develop service specifications. Any potential increase in spend on home care to be offset against efficiencies to be gained through the rehabilitation pathway and use of SDS in supported living settings.
- For services contracted to LCFT, the contract will be renegotiated to reflect the new model.

2016/17

- Start year at 350 Residential/ Nursing placements
- Apply fee banding as introduced 01/04/2016
- A targeted review programme to reduce residential and nursing home care placements from 350 to 300
- End year at 300 Residential/ Nursing placements
- Reduction in income will be taken into account
- Cost of alternative home care /direct payment will be taken into account
- Rationalising fees results in a net budgetary saving of £466k

2017/18 – no further action – however profiling of above savings will affect 17/18

- Work done in the latter part of 16/17 will reduce the costs of the service in 2017/18
- Effective demand management estimated at £1.292m (over all 3years 2015/16 to 2017/18)

	2015/16	2016/17	2017/18	Total
Total	£0.310m	£2.301m	£1.403m	£4.014m

Service Offer:	Children's Social Care (CYP-SEO-4080)
Gross budget 2017/18 (The amount we propose to spend)	£64.168m
Income 2017/18 (The amount we expect to receive)	(£1.075m)
Net budget 2017/18 (The cost to the County Council)	£63.093m

What is the service offer?

The service currently deals with a large volume of activities as indicated below:

Based on current levels the service deals with

- 622 statutory assessments.
- 276 section 47 enquiries.
- 2816 hours of contact for looked after children with significant others.

The service also provides services for

- 1651 children looked after (including 257 subject to care proceedings/227 children subject to awaiting adoption plans.)
- 1085 children subject to child protection plans. (Including 251 subject to pre-proceedings).
- 2100 children subject to child in need plans (section 17).
- 433 former relevant care leavers.
- 232 eligible care leavers.
- 37 children in private fostering arrangements.

The service currently includes the following contract budgets which may be subject to transfer:

- £4.556m (gross and net) for legal services (counsel and agent solicitors, court application fees, internal Legal Service provision);
- £0.491m for the transport of looked after children

<p>How will the service offer be provided?</p> <p>The service offer will be delivered by teams of qualified social workers and family support workers, managing statutory casework, supported by a management structure incorporating Practice, Team and Senior Managers, under the authority of a Head of Service. Business support services are integrated into existing social care teams.</p>
<p>What will be different and why?</p> <p>All the functions are statutory – none of the functions can cease, but how we deliver those function is under review.</p> <ul style="list-style-type: none"> • Delivery of service will change from a seven-locality footprint to three with a reduction of 4 Senior Managers and a reduction of 10 Team Managers across county. This will allow front line service delivery to be largely maintained. There will be additional roles and functions added to the remaining senior/team and practice manager posts as a result of the grade 11+ management reductions. • A review of business support needs linked to the grade11+ structure which is currently taking place may realise some saving options, but this work needs to take place in conjunction with the grade 10 and below redesign. It needs to consider roles and responsibilities of all workers in the service, centralisation of some tasks and reducing the admin process for qualified social workers. • Consideration will be given to prioritising the Children in Need budget for children subject to child protection unless in exceptional circumstances and approved by a senior manager. (Example not supporting parents with finance for contact sessions for first 6 weeks as they are still in receipt of benefits, utilising free 2 year nursery placements, food banks) • A review needs to take place of the total budget available to children, young people and families to ensure there is no duplication across the children in need spectrum (including nursery placements, out of school respite, lead professional financial support).
<p>How does the service offer link with any other service offer(s)?</p> <p>We are currently planning for the provision of Section 17 children in need services, to move to the Public Health, Prevention & Early Help arena.</p>
<p>Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18</p> <p>By April 2015:</p> <ul style="list-style-type: none"> • Changes to the management structure will be implemented from April 2015

and savings realised as early as possible;

- Prioritising the Children in Need budget for children subject to child protection unless in exceptional circumstances;
- The review of spend across the entire children in need spectrum to remove duplication

2015/2016:

- Transition of Section 17 Child in Need case work and the associated resources to Prevention and early Help service;
- A review of the grade 10 and below structure needs to link to the redesign of delivery of the remaining offer in Children's Social Care

2016/17:

- Over the period 2016/17 as the Early Help offer embeds and skills and knowledge increase, there could be a downward trajectory of cases managed by children in need section 17 case support to a less costly option utilising Common Assessment Framework/lead professional approach.

Current data identifies a recent downward trajectory of Children subject to child protection plans and children looked after

The rapid rise in CLA numbers over recent years appears to have slowed over the last 10 months, and CLA numbers have plateaued. However it is too early to assume with any degree of certainty that this is a permanent abatement in the rise of CLA. That said a falling birth rate and population reductions would predict a smaller Children Looked After intake over the next five years.

The risk however is that it is that previous pattern of rapid rises could return, particularly as economic factors point to a continuing pressure on standard of living over the next three years (rising interest rates leading to price rises, and low wage increases leading to increased financial pressures for families in need).

There are related risks linked to a significant increase in Child in Need casework (s17) over the past 12 months which directly links to fewer Children Looked After and Children In Need. The transition proposal is that those risks should be managed by a defined early help offer that manages risk at level 3 of the continuum of need

Redesign options for grade 10 down structure cannot be fully identified at this stage and much is dependent upon the success of the early help offer, demand for statutory services and managing the backlog and demand of children awaiting adoption case work.

Should there be a continued downward trajectory of CLA and Child Protection there could be savings identified linked to qualified social worker, practice manager and team manager posts. Any potential savings from posts of grade 10 and below would not be achievable before 2016/17 and as unquantifiable at this time have not been factored into the table below.

This service offer is based on the current grade 10 down structure.

	2015/16	2016/17	2017/18	Total
Total	£0.739m	£0.495m	-	£1.234m

Service Offer	Residential Services, Fostering and Adoption (CYP-SEO-4015)
Gross budget 2017/18 (The amount we propose to spend)	£21.800m
Income 2017/18 (The amount we expect to receive)	(£1.072m)
Net budget 2017/18 (The cost to the County Council)	£20.728m

What is the service offer?

To deliver residential provision for children looked after, including those young people with complex needs, for whom long term residential care is appropriate.

The residential provision will include an assessment unit, mainstream units and a complex needs unit.

For the assessment unit and fostering service to maximise the use of approved placements for young people who would otherwise have been placed in residential homes.

To recruit, assess and train connected and mainstream foster carers and adopters within current legislation to provide care and permanence where appropriate, to children and young people who are unable to live with their birth families.

To implement a placement strategy that maximises the use of current and new foster care resource.

To provide post permanence support from the fostering and adoption services to prevent adoption and fostering breakdowns.

Improve the emotional health and well-being of Lancashire's children who are looked after/ adopted and whom Lancashire has a responsibility

Increase the understanding about emotional health and well-being issues for children and young people who are looked after/ adopted amongst all those working within the

professional and carer network

To maintain a professional training programme for foster carers, adopters and staff to ensure the services are equipped to deliver quality care to children and young people.

To deliver overnight short break provision for children with disabilities, along with other packages of support.

How will the service offer be provided?

An outreach service will support the assessment unit to work with families, foster carers and young people to achieve foster care placements, whilst also working with young people and families on the edge of care to remain at home.

The fostering service will work alongside the residential assessment unit to identify and offer foster care placements to those children who need longer term care who would otherwise be placed in residential units.

The fostering and adoption services will be provided through the amalgamation of recruitment and assessment and support functions. This will allow more flexible use of resources across the services to respond to the needs of children, foster carers and adopters. The criteria for accepting applications will be more flexible.

The fostering service will make additional use of tier 3 foster carers in supporting new carers, service developments, specific projects and post adoption support.

Delivering emotional health and wellbeing training to residential practitioners from all ten Lancashire County Council residential homes.

The provision of emotional health and wellbeing interventions with children, young people and carers supported by an appropriate therapeutic intervention which is responsive to the level of identified need.

Work has started on the development of a purpose built overnight 6 bed short break unit in the Central/South area as part of a transformation programme of residential respite for children with disabilities. The residential respite provision is part of a suite of options which has developed to meet changing needs and legislation (SEND reforms).

What will be different and why?

The mainstream residential service will maintain the same level of in-house provision but will be re-profiled for higher levels of need where placements are increasingly difficult to procure in the private sector.

The foster carer 'age preference' request will be removed in order to promote a culture where foster carers feel equipped to take children of all ages based on their skill set. This will result in greater placement choice for children and young people and less need for agency placements.

The skill enhancement paid to foster carers supporting more than one child will change. A reduced enhancement will be offered.

Support will be targeted to new carers to reduce the number of resignations within the early years of their fostering career.

The fostering service in working alongside the residential assessment unit will seek to place in house those young people who otherwise would have been placed in long term residential care. This will equate to approximately 20% of the children referred for assessment. Consideration will be given to reviewing the pattern of foster care allowances to better reflect the needs of the child being placed.

Residential respite provision modernised in line with the high quality specification developed with families and young people to better meet the needs of children with disabilities. This is complemented by a range of other service developments available as alternatives to families including remodelled outdoor education facilities; the shared lives scheme already successfully implemented with adults with learning difficulties and personal budgets; all providing choice and more flexible options responsive to the changing needs and demands of families; ; Early discussions with neighbouring Local Authorities would indicate that they are remodelling their offer to reflect the changed pattern of demand and that their families are also unlikely to wish to purchase overnight break respite places from Lancashire. As a result of these other support packages and the on-going decrease in demand for overnight break respite the Authority will continue to keep its strategy for residential respite care under review.

How does the service offer link with any other service offer(s)?

The fostering and adoption service offer supports the Children's Social Care service offer in reducing the number of children placed within agency placements.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

The assessment unit in the mainstream residential service will be piloted and evaluated by the end of March 2015. The service offer from April 2015 assumes that the pilot is successful in returning young people home or placing young people with our in house foster carers. Savings of £0.346m have been identified into Children's Social Care but if the pilot does not deliver its intended outcomes, the residential service is likely to revert back to 9 mainstream units and one complex needs unit.

By 1st April 2015:

The provision of the 6-bed assessment unit, 8 mainstream units and one 4-bed complex needs unit will be in place, this will include structures for a predictive model of future demand.

The criteria for application to increase additional fostering and adoption applicants will be introduced.

The criteria for tier 3 foster carers to ensure those paid at this tier are providing additional support to the service will be implemented.

Newly approved foster carers will receive greater support from tier 3 carers to prevent

early resignation.

The 'age preference' request for new carers will be removed to promote a culture of willingness to care for children of a variety of ages.

Grimshaw Lane and Long Copse short break units in Central Lancashire will merge in October 2014, and South Avenue and Alexander House in the North of the county will merge in 2014/15.

During 2015/16:

Foster placements for approximately 6 (20%) of the young people entering the residential assessment unit, and thereafter on an annual basis, will be provided.

Post adoption support will be fully integrated with support to foster carers.

The focus will continue to increase the number of children placed within in house foster care placement year on year.

Reedley Cottages and Hargreaves House short break units in the East will merge and the new six bed unit in Leyland will become operational.

	2015/16	2016/17	2017/18	Total
Total	£0.891m	£0.303m	£0.236	£1.430m

Service Offer	Safeguarding Inspection & Audit (CYP-SEO-4025)
Gross budget 2017/18 (The amount we propose to spend)	£3.456m
Income 2017/18 (The amount we expect to receive)	(£0.116m)
Net budget 2017/18 (The cost to the County Council)	£3.340m

What is the service offer?

- Undertake a range of quality assurance activities including inspections of services, case file audits; thematic audits to ensure statutory responsibilities are being met and lead on preparation for inspections;
- Undertake statutory functions in respect of independent reviews of CLA/care planning, foster carer reviews and child protection conferences in accordance with legislation and statutory Government guidance;
- Undertake the chairing of complex child protection meetings, including Fabricated Induced Illness (FII), Child Sexual Exploitation, Missing Children etc., in accordance with legislation and statutory Government guidance
- Undertake statutory responsibilities for the management of allegations against

adults/professionals working with children;

- Undertake statutory responsibilities to ensure the safety of children in the employment and entertainment industries;
- Provide safeguarding training and advice to all Designated Senior Persons (DSP) in schools;
- Provide an integrated social care front door/triage service which undertakes multi-agency assessments and decision making in respect to referrals and contacts to Children's Social Care or referral to prevention and early help in accordance with legislation and statutory Government guidance;
- Provide an out of hours Children's Social Care service via an Emergency Duty Team
- Provide an independent social work voice within the LA via the Principal Social Worker to inform senior management on social work practice/pressures;
- Provide strategic advice, support and guidance that enables services to improve how we engage with children, young people and families to ensure we embed effective participation models to be delivered through the Strategy Lead for Participation for CYP
- Manage the Lancashire Safeguarding Children Board (LSCB) Manager who will provide management of the LSCB/LASB support functions in accordance with statutory Government guidance.
- Third Party commissions

The centralised front door service includes integration of the Emergency Duty and Intake teams in Adult Services. The funding for these teams is currently excluded from the figures above, but is to be included in the Personal Social Care (Staff) service offer.

How will the service offer be provided?

The Safeguarding Inspection and Audit functions will be managed via a centralised management team with geographically located delivery which covers the whole of Lancashire e.g. Independent Reviewing Officer Service is managed centrally but delivers in each District and wider if CLA placed out of County.

The Contact Assessment and Referral Team/Multi-Agency Safeguarding Hub is based in Accrington, but again provides a service across Lancashire as does the Emergency Duty Team.

The delivery of safeguarding training and advice to DSPs in schools is to all schools across Lancashire.

The Local Authority Designated Officer (LADO) who deals with management of allegations against professionals who work with children is again based centrally, but some of the time is linked into the MASH.

This similar approach is adopted to all services provided from within the Safeguarding Inspection and Audit Service.

What will be different and why?

Due to the statutory nature of the Service changes are limited to ensuring that costs are recovered in full with respect to:

- Designated Senior Persons training courses;
- Advice calls to schools;
- Licences for chaperones;

A review of the delivery of child employment and entertainment activity will be carried out.

Within this area are some professional advice and support to schools relating to safeguarding. Preliminary discussions with the Chair of Schools Forum have been undertaken, around this and other "insurance" type services with a view to move them to a traded basis over a period of time.

In addition, it is proposed to consolidate the third party commissions for advocacy and engagement.

How does the service offer link with any other service offer(s)?

Not applicable.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

The following management posts will transfer into the service by 1st April 2015:

- Principal Social Worker
- County Manager MASH/CART/EDT
- EDT Manager
- Strategy Lead for Participation (Young People)

	2015/16	2016/17	2017/18	Total
Total	£0.044m	-	-	£0.044m

Other Services we provide to Adults

Service Offer	County Benefits (SEO 5706)
Gross budget 2017/18 (The amount we propose to spend)	£ 2.189m
Income 2017/18 (The amount we expect to receive)	(£0.000m)
Net budget 2017/18 (The cost to the County Council)	£2.189m
What is the service offer?	
<p>The service will provide:</p> <p>County Benefits Service: Financial assessments for social care services, Residential/Nursing Care, Non-Residential Care Service (Care at Home) and Direct Payment, Payment Reviews for Direct Payments, Payment Administration for Direct Payments, Invoices and collection of Income from Social Care Charging.</p>	
How will the service offer be provided?	
<p>Income, Assessment and Direct Payment Team: Working as part of a County wide front line team completing financial assessment and direct payment financial advice and reviews to social care adult and children service users in their own homes - in accordance with the obligations imposed under statutory and local guidance and the Authority's Charging Policy.</p> <p>Business Support Team delivering a full range of business support activities to support the delivery of financial assessments and direct payment review service.</p> <p>Direct Payment administration team provides a payment and monitoring services for the provision of direct payments.</p> <p>Income Management Team raises invoices and monitors the collection of social care income.</p>	
What will be different and why?	
<p>The Care and Urgent Needs Support Scheme is the County Council's response to the transfer of responsibility, on 1 April 2013, from the Department for Work and Pensions (DWP) for functions previously performed by the Discretionary Social Fund. The scheme has been funded by a specific grant provided by the DWP of c. £3.5m per annum including the costs of running the scheme. The Local Government Finance settlement for 2015/16 does not include the continuation of this funding.</p> <p>This service offer does not maintain budgetary provision for the Care and Urgent Needs Support Scheme following the end of the specific government grant.</p>	
How does the service offer link with any other service offer(s)?	
<p>The County Benefits Services already links to other services, eg welfare rights links</p>	

with libraries, assessment team links with finance and social care, and this will continue to develop.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

	2015/16	2016/17	2017/18	Total
Total	£3.512	-	-	£3.512m

Service Offer	Adult Transport (ASHW - SEO – 0020)
Gross budget 2017/18 (The amount we propose to spend)	£3.990m
Income 2017/18 (The amount we expect to receive)	(£2.587m)
Net budget 2017/18 (The cost to the County Council)	£1.403m

What is the service offer?

Specialist transport will be provided to enable customers to access a range of community activities / respite where the customer and / or family / carer(s) are unable to provide the transport needed.

How will the service offer be provided?

- Transport to Older People Day Time supports will be included within the current tariff payments, through the procurement of a new framework agreement for Day time Supports.
- Any Citizen 18 or over will need to meet eligibility criteria, for any specialist transport request to a local college
- Specialist transport to a college, if eligibility criteria apply, will be capped to the cost of transporting within a 25 mile radius.

What will be different and why?

- Older people day time supports will be commissioned from Third Sector and not for profit organisations, through a new framework and transport costs will be included within the existing tariff paid.
- Specialist Transport to college, for those over 18, will only be commissioned for those meeting eligibility criteria.

How does the service offer link with any other service offer(s)?

Will need to ultimately form part of the Public and Integrated Transport service offer.
Links to the Care Services offer

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

The service is currently overspending and options are being developed to reduce the impact of this which could involve looking at a potential charge being introduced.

Coroners Service

Service Offer	Coroners Service (ASHW-SEO-0018)
Gross budget 2017/18 (The amount we propose to spend)	£2.179m
Income 2017/18 (The amount we expect to receive)	(£0m)
Net budget 2017/18 (The cost to the County Council)	£2.179m

What is the service offer?

Lancashire County Council (LCC) has a legal responsibility to provide a Coroners Service and all necessary support for the Coroner so that he is able to carry out his statutory functions. The Coroner is an independent officer of the judiciary but is recruited and remunerated by LCC. There are four coronial jurisdictions across pan Lancashire and LCC have legal lead for two jurisdictions whilst 50% and 40% funding the other two jurisdictions with SLA's in place with Blackburn with Darwen and Blackpool.

The Coroners Service is underpinned by legislation and case law.

How will the service offer be provided?

The Coroners require IT, staffing support both in terms of administration (LCC staff) and investigation (Coroners Officers – Police Constabulary staff but 50% funded by LCC), court accommodation, office accommodation and specific services – pathology, mortuary and pathology services, toxicology services, body removal services.

The service is a front facing service and if an inquest has to be held this has to be in a public court.

The largest portion of spend is with Hospital Trusts and Hospital and Home Office pathologists. This cost is demand led.

We have previously looked at jurisdiction amalgamation but this would need the

agreement of several parties and a merger order (legislation). Consensus for an amalgamation that had the potential to accrue savings could not be reached.

What will be different and why?

The Coroners Service has become more high profile and complex in recent years and it is predicted that this trend will not change. Coroners Inquests have become more complex as medical negligence cases have risen and case law around the Human Rights Act developed. There isn't an alternative delivery model and the service offer will not be able to be changed e.g. the law determines if an inquest needs to be held, LCC have little control over whether a post mortem is needed as part of a Coroners investigation, unless LCC built its own mortuary it will have to commission local Hospital Trusts to provide mortuary and pathology services.

If the Medical Examiner model is implemented by government this will impact on the Coroners Service but at this stage from the information provided by government and the pilot it is not envisaged that it would have an impact so as to reduce expenditure.

How does the service offer link with any other service offer(s)?

The Coroners Service links with Registration Services (the death function), the Medical Examiner model if this is implemented, MASH and Public Health.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

	2015/16	2016/17	2017/18	Total
Total	£0.171m	-	-	£0.171m

Public Health and wellbeing

Service Offer	Public Health and Wellbeing
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Gross Budget 2017/18 (The amount we propose to spend)	£90.347m
Income 2017/18 (The amount we expect to receive)	(£75.610m)
Net budget 2017/18 (The cost to the County Council)	£14.737m

What is the service offer

The Public health and wellbeing service aims to protect and improve the wellbeing and health of Lancashire residents with a focus on addressing the causes of inequalities.

It is a new offer that brings together the public health service that transferred from the NHS in 2013 with the existing health and wellbeing functions of the County Council.

The service comprises of:

- Wellbeing, prevention and early help
- Equity, welfare and partnerships
- Patient safety and quality improvement
- Emergency planning and resilience
- Scientific services and trading standards

A brief description of each component of the new public health and wellbeing service is provided below:

Wellbeing, prevention and early help

With a focus on improving outcomes related to safeguarding the vulnerable, health, supporting family life, enabling learning, preparing for work and reducing crime, this service will comprise of a targeted early help offer to support vulnerable children, young people, families and older people so that issues are identified early and crises avoided. The targeted early help offer will support the management of demand for more expensive social care services. This will be built on a universal preventative and wellbeing offer to keep people stay healthy and well. This will include building local community assets and lifestyle and clinical services like NHS Health checks, stop smoking, sexual health, substance misuse, physical activity, weight management, mental wellbeing, school health and health visiting services. If the Council is included in the next phase of the national Troubled Families programme, delivery will form part of the targets for this service.

The proposals differ from those tabled at Cabinet on 6 November 2014. Our new proposals include a significant additional saving of £8.5m, phased over the three years of the strategy.

Covering a number of areas, it includes:

- Provision of School Crossing Patrols fully funded by schools through service level agreements directly with schools. We will consult with schools on the development of this aspect of the service offer.

- Removal of duplication in the offer between 0-5 Health visiting service and children centres
- Adopting a more targeted approach to the provision of Help Direct prevention and wellbeing grants aimed at reducing demand.
- Eliminating duplication in our emotional health and wellbeing offer to Children and Young People.
- Reviewing governance and management of Children centres, streamline buildings and income generation.
- Eliminating the duplication of service delivery for young people in areas such as sexual health, substance misuse and key health messages and retendering services to cover the whole lifespan

Equity, Welfare and Partnerships

This will comprise of a frontline service offering welfare rights advice, information and help to vulnerable and excluded groups, and act as a hub for various partnerships hosted by the County Council including the Health and Wellbeing Board and locality partnerships, Children's Trust and locality partnership boards, Community Safety, and Road Safety partnership. Addressing road safety, domestic abuse, the wider determinants of health and wellbeing and supporting the actions to tackle health inequalities across the organisation will also be delivered by this service.

Patient safety and quality improvement

This service, in partnership with NHS, Public Health England and other agencies, will improve patient safety and quality of health and care services across Lancashire. In particular, this service will deliver infection prevention and control advice, improve the uptake of vaccination, immunisation and screening programmes, reduce avoidable mortality and support the delivery of the assurance function of the County Council that the public health services in Lancashire are safe, effective, person centred, and well led. This service will also deliver public health advice to the six NHS clinical commissioning groups in Lancashire.

Emergency Planning and Resilience

This service will work in partnership with other agencies to enable the County Council in meeting the requirements of various legislations for emergency preparedness, response and resilience to protect the wellbeing of our residents. This includes emergency planning exercises, training, R&D along with a provision of 24/7 emergency planning response through a duty officer scheme. This service will also be responsible for delivering the occupational health, health and safety, and employee welfare service across the organisation.

Scientific services and trading standards

Lancashire County Scientific Services (LCSS) provides a wide range of UKAS accredited environmental, food substance and agricultural testing services for the council and on behalf of the council as an income generating service. The current portfolio of services includes Food & Agricultural product testing including Public Analysts and Agricultural Analyst services and high-risk food factory inspections; Asbestos monitoring in buildings and asbestos analysis; Quality testing of private water supplies; Air quality analysis and noise monitoring; Consumer product testing; Provision of emergency response; Microbiological services; Management & maintenance of 23 Lancashire closed landfill sites; Quantitative Face Fit Testing;

Local Exhaust Ventilation Testing (LEV); Waste Analysis.

The Trading standards offer include consumer support; animal health and agriculture related inspections, sampling and handling complaints; product safety test purchasing and dealing with complaints; administering poisons licensing regime; risk based visits to petroleum and explosive premises and sites; food safety; metrology; fair trading and door step crime; intelligence management, tasking and coordination with regional and national enforcement systems; underage sales enforcement; legal process; support to businesses; pursuing commercial opportunities to generate income and delivery of safe trader project and issues related to alcohol and tobacco related regulatory interventions.

How will the service offer be provided?

The wellbeing, prevention and early help will be provided through in house provision and third party contracts. Third party contracts mainly include stop smoking, sexual health, substance misuse, NHS health checks, and school nursing services.

Equity, welfare and partnerships; patient safety and quality improvement; emergency planning and resilience; and scientific services and trading standards are mainly delivered in house. Scientific services and trading standards also include income generation activities.

What will be different and why?

The new public health and wellbeing service from the County Council will be more joined across the organisation by bringing together the existing relevant functions Council. This will help us deliver an service that is outcomes based, using better intelligence and targeting our resources proportionate to need and closer to the communities.

All the third party service contracts inherited from the NHS as part of the transfer of public health in 2013 will be re-commissioned. The focus will be on integration, innovative delivery models and building community assets and resilience. It is anticipated that this will lead to economies of scale. A year on year efficiency target will be introduced. Where possible, a proportion of contract value will be based on achieving better outcomes instead of just paying for the activity.

There will be a greater focus on targeting vulnerable children, families and older people and supporting them with a joined up service in order to build their resilience and prevent further crises leading to increased demand on social care and health services. This will be delivered through delivery of an integrated wellbeing, prevention and early help service, initially through re commissioning of Help Direct service and in the future through integrating other offers for children and young people and vulnerable families as this service develops. Further integration of services for children aged 0-5 years will occur when the responsibility for commissioning health visiting services will be transferred from NHS to LCC in October 2015.

Road safety will include a reduced output of non-diversionary courses, speed tasking, deployment of SPIDs/speed counts (reduce by 50%), road safety and sustainable

travel engagement (reduce by 25%) and healthy streets programme (reduce by up to 50%).

A cohesive approach to scientific services and trading standards under one management structure will lead to 'one analytical service' and efficiencies resulting from this alignment will be identified and realised to benefit both the services. Delivery will be prioritised to the priority neighbourhoods and areas of deprivation as appropriate.

The emergency planning and resilience service will integrate the public health functions related to emergency preparedness. This will be strengthened with the inclusion of managing the occupational health contract, health and safety across the organisation as well as employee welfare.

Management of all the partnerships including HWB Board, CYP Trust and Community Safety will be through a single management structure. Providing the mandated public health advice to the CCGs will be joined up with the patient safety and quality improvement offer, to be delivered in alignment with the CCG and health economy footprints.

How does the service offer link with any other service offer(s)?

The public health and wellbeing service will be closely linked with the commissioning and transformation functions of the organisation. In particular, it will support the demand management of social care services, and also be linked to a range of services within the County council including supporting people, coroners service, adult and children safeguarding boards, schools offer, youth offending team, sustainable transport countryside and public rights of way and environment and community projects, planning and development management, libraries, museums, cultural and registrars service, adult learning, economic development and skills.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

The savings will be achieved through a combination of VR, restructure, integrated offer and re procurement of third party services.

	2015/16	2016/17	2017/18	Total
TOTAL	£8.882m	£7.904m	£6.398m	£23.183m

Other Services for Children and Young People

Service Offer	Inclusion & Disability Support Service – Special Educational Needs and Disabilities (SEND) (CYP-SEO-4070)
Gross budget 2017/18 (The amount we propose to spend)	£37.245m
Income 2017/18 (The amount we expect to receive)	(£5.765m)
Net budget 2017/18 (The cost to the County Council)	£31.480m

What is the service offer?

The Inclusion and Disability Support Service provides statutory identification, assessment, intervention and monitoring for children and young people from birth to 25 with special educational needs and disabilities (SEND) and their families. This reflects the new legislative requirements set out in the Children and Families Act 2014, SEND Regulations 2014, SEN (Personal Budget) Regulations 2014 and the 0-25 SEN Code of Practice 2014 including:

- Joint identification, assessment and commissioning with adults services and health partners of services across education, health and social care for children and young people with special educational needs and disabilities from birth to 25 years.
- Co-ordinated assessment with health services for Education Health and Care Plans (EHCP).
- A local offer of special educational needs and disabilities services.
- Provision of information, advice and support on special educational needs and disabilities.
- Provision of personal budgets for young people/parent/carers who request them.
- Supporting transitions and preparation for adulthood.
- Provision of mediation and disagreement resolution services.
- Provision of home to school/college SEN and respite transport.
- Compliance with the Special Educational Needs and Disability Tribunal.

The Service also provides statutory duties for children with disabilities linked to the Children Act 1989, Chronically Sick and Disabled Persons Act 1970, Children (Leaving Care) Act 2000, Breaks for Carers Regulations 2000 and the National Health Service and Community Care Act 1990 including:

- Children in Need (section 17).
- Provision of accommodation (section 20).
- Care and supervision orders for children with disabilities (section 31).
- Safeguarding and promoting the welfare of children with disabilities (section 47).
- Breaks for carers.
- Services assessed as required for chronically sick and disabled children including practical assistance at home, short breaks, home adaptations, fixtures and fittings.

- Assistance to young people with disability who have been looked-after;
- Start Well and Age Well are currently investigating the provision of an "all age" disability service which may result in additional savings and the removal of current transition points issues.
-

How will the service offer be provided?

The Service will be reshaped to provide 3 area teams (replacing 5 locality teams) serving north (Lancaster, Fylde and Wyre), central (Preston, South Ribble, Chorley, West Lancashire) and east (Hyndburn, Ribble Valley, Burnley, Pendle and Rossendale) of the county with effect from 1 April 2015. Four functions will be covered through integrated teams for:

- SEND integrated assessment (with health services)
- Children with disabilities social care
- Educational psychology support
- Specialist learner support inclusion teaching

A new post for SEND Compliance Commissioning and Provision will be created at Team Manager level to pick up some of the duties previously undertaken by Service Managers.

This restructure will lead to the removal of 2 Service Manager posts and 5 Team Manager posts and therefore enable significant management savings. Further, the Service is considering alternative models of delivery which would provide effective and efficient delivery of the Service Offer within available resources.

A traded service offer from specialist Educational Psychologists and Inclusion Teachers to enable individual pupil support, intervention strategies and bespoke training packages will be delivered through the Traded Services Offer although professional oversight for staff will continue through the Inclusion and Disability Support Service.

What will be different and why?

The Service will deliver identification, assessment and intervention differently by:

- Routine monitoring visits by Learner Support Inclusion teachers to identify children and young people with SEN in early years settings and schools will cease. Instead, schools and early years settings must meet their statutory duties to identify and inform the Local Authority of any children and young people with additional and different needs from the majority of pupils.
- Routine Educational Psychology link visits to schools to identify and provide early intervention strategies for children and young people with SEN in early years settings and schools will be replaced by local "clinic-style" arrangements whereby Special Educational Needs Co-ordinators (SENCOs) can discuss specific children by appointment and receive advice and intervention strategies from Educational Psychologists.
- Critical Incident Support work for schools and early years settings where traumatic incidents occur will cease unless the Schools Forum can be

persuaded to meet the costs of the Critical Incident Support Team.

- Some social care packages will be reviewed through sharper assessment and care planning processes and the introduction of a resource allocation system aligned to the one currently used for adults with disabilities.
- Attendance at and reading for Fostering and Adoption Panels will no longer be provided as it is not a statutory requirement for Educational Psychologists and/or Children with Disabilities Social Workers to participate.
- The Lancashire Break Time programme of non-assessed breaks for children with disabilities will reduce. Some of this loss can be offset by Early Help provision from Children's Centres and Youth Zones enhancing their universal offer to children and young people with disabilities. However, some families will be eligible for statutory assessed breaks from caring and therefore further discussion is needed with parent/carers on the most effective way to commission such provision so that those children and families most in need of breaks from caring are able to receive them.
- Funding for Inclusion Development projects in special schools will cease. However, schools will continue to be supported to implement the new SEND reforms through Dedicated Schools Grant funding.
- Further reductions will be made to SEN home to school/college and respite transport costs through new managerial arrangements within Integrated Transport and various efficiency arrangements including:
 - Adherence to policy for transport to be provided only where child attends nearest school;
 - More special schools taking on responsibility for managing their own transport;
 - Stop deviate and drop off for respite (which increases the costs via a variation charged monthly by contractors);
 - Cease variations to commissioned transport contract costs monthly agreed by Integrated Transport Unit (provider) without reference to commissioners;
 - Implement charging for post-16 transport as approved through recent Cabinet Member decision;
 - Work with schools/colleges to move towards independent travel and meet and pick up points, minibus routes at start and end of college day as opposed to individual taxi runs;
 - Promoting independent travel training to reduce number of young people requiring transport and/or a passenger assistance;
 - Define a Respite transport policy to be provided for children and young people at risk of family breakdown or where there are concerns about safeguarding or their welfare ;
 - Investigate again if transport can be provided by parents who have higher level Disability Living Allowance and mobility vehicles.
- Further reductions in staffing costs following consideration of alternative models of delivery enabling effective and efficient delivery of the Service Offer within available resources.

How does the service offer link with any other service offer(s)?

The Inclusion and Disability Support service offer supports the Children's Social Care service offer in reducing the number of children placed within agency placements. It also supports the Ageing Well Adults Learning Disability Offer.

It also links to the Early Help Offer whereby universal services fulfil their duties to children and young people with SEND and the Traded Services Offer offering individual support for children in schools and early years settings and in providing bespoke SEND training courses and consultancies.

Outline annual transition plan which sets out the savings profile for 2015/16 , 2016/17 and 2017/18**By 1st April 2015**

The management restructure for all grade 11 posts and above will be completed. This will remove 2 Service Manager posts and 5 Team Manager posts. (2 Team Manager posts for Learner Support will also be removed but these posts are funded from Schools Block and therefore do not contribute to the LCC saving efficiency targets).

A new post for SEND Compliance Commissioning and Provision will be created at Team Manager level.

The Service is considering alternative models of delivery which would provide effective and efficient delivery of the Service Offer within available resources. It is anticipated that alternative models will be developed by January 2015 followed by appropriate consultations with interested parties.

During 2015/16:

The post-16 means tested charging policy for SEND transport will be introduced from September 2015. This will bring about savings previously identified in a Cabinet Member report.

The Service will need to evaluate the impact and progress made in implementing the SEND reforms and ensure that we are compliant with national targets and monitoring set out in the SEND (Transformation) Regulations 2014. Any remedial action required will need to be considered at this time.

The Service will continue to downsize in line with the new models of delivery and effective and efficient delivery of the Service Offer within available resources.

	2015/16	2016/17	2017/18	Total
Total	£2.763m	£2.378m	-	£5.141m

Service Offer	Schools Catering (SEO 6004)
Gross budget 2017/18 (The amount	£25.089m

we propose to spend)	
Income 2017/18 (The amount we expect to receive)	(£24.753m)
Net budget 2017/18 (The cost to the County Council)	(£0.336m)
What is the service offer?	
<p>School Catering provides lunch, break, breakfast, function and premises related services to 530 Primary, Special, Short Stay and Secondary schools in Lancashire, Blackburn and Blackpool.</p> <p>All services are delivered to food based standards defined by legislation.</p>	
How will the service offer be provided?	
<p>School Catering trades directly with schools. Arrangements are made under Service Level Agreements. The service employs the front line Catering Supervisors and Catering Assistants (1,800 in total), management and support staff connected with delivering the service and purchases the consumables.</p> <p>The authority pays for the cost of service (food, labour and overheads) and recovers the full cost of service, contribution to overheads and profit from the school client. From 1st September 2014 the full cost of the Living Wage will be recovered in the service charges.</p> <p>The cost of service is based on standard pricing according to volume. Small schools pay more per meal and large schools pay less reflecting economies of scale. Schools retain the cash from paying customers and any budgets which have been delegated to them. The school provides and pays for the cost of fuel and water.</p> <p>There is joint sovereignty on the selling price charged to parents and students.</p> <p>As part of the service offer the catering service also provides reactive maintenance services which the majority of customers buy into. This is a pooled fund the management of which ensures that kitchens are kept operating safely and effectively. Work delivered from this fund is managed by Property Group. Schools can also 'bank' into a 'planned improvement' fund which is ring fenced to their individual school. A school can then agree to use their fund for modernisation projects e.g. service counters, renewal of furniture or complete new kitchen. The cost of managing projects is charged against the overall cost. The school retains ownership of catering premises and equipment.</p> <p>A small number of schools receive transported meals. The catering service arranges transport and charges the cost back to the client.</p> <p>Schools who wish to vary their agreement by paying more may do so.</p> <p>The current business model for school catering is one that is advocated by the Association for Public Service Excellence (APSE) and therefore no fundamental</p>	

changes are envisaged.

What will be different and why?

Given that the service has absorbed the introduction of free meals for all Key Stage 1 pupils with no increase in the overhead structure it is considered that there is little, if any, opportunity to reduce costs in this area.

There is a recognition that school food nutrition contributes positively to the health agenda and academic performance. Following Jamie Oliver's intervention, School food has, in recent years, received a much higher national profile. This led to the government commissioning a report entitled 'The School Food Plan' and more recently legislation to provide free meals for all Key Stage 1 Pupils (known as Universal Infant Free School Meals or UIFSM), starting in September 2014.

Recent service activity has been orientated to delivering the provision of UIFSM however going forward the service will be required to focus fully on the agendas detailed in the School Food Plan (SFP) by working closely with school leaders. In summary these are:

- Introduction of new food based standards effective January 2015
- Incremental improvement in the quality and provenance of food to achieve the Food for Life Bronze, Silver and Gold Catering Mark Awards.
- Improving the skills of the workforce through training and development
- Working with closely with schools to develop and improve service and dining room environment / culture
- Increasing take up, productivity and managing cost of service particularly for small schools
- Facilitating the Cooking in schools programme using our Catering Supervisor Team.

In addition there is also a need to modernise communications between centre and unit to realise efficiencies e.g. on line procurement

How does the service offer link with any other service offer(s)?

Food procurement contracts are let by Lancashire County Council procurement with whom the service has a close relationship

The catering service currently supports the cost of a post which sits within the Education Health and Wellbeing Team. Operations teams work with the post holder to ensure that food improvement strategies are aligned

Reactive maintenance works are provided by Property Group

The catering service works with the Head of Capital, Strategy and Programme Management on kitchen capital expenditure programmes

The service works with the media team to manage the content of responses to media

enquiries				
Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18				
Ongoing management of sales and cost productivity concerned with service take up, direct labour hours and food.				
Delivery of the School Food Plan and UIFSM as detailed above.				
Further entry into Blackburn and Blackpool markets and failing self managed secondary schools.				
It is expected that the target will be met through a combination of sales growth, cost management and price inflation.				
	2015/16	2016/17	2017/18	Total
Total	£0.028m	£0.028m	£0.028m	£0.084m

Service Offer	Lancashire Safeguarding Children Board (CYP-SEO-4065)
Gross budget 2017/18 (The amount we propose to spend)	£0.389m
Income 2017/18 (The amount we expect to receive)	(£0.197m)
Net budget 2017/18 (The cost to the County Council)	£0.192m

What is the service offer?

The Local Authority provides a financial contribution along with other partners for the Lancashire Safeguarding Children Board (LSCB) to meet the following objectives:

- To co-ordinate the work done locally by agencies represented on the Board
- To safeguard and promote the welfare of children
- To ensure that the work done is effective and that it is outcome focused

Regulation 5 of the Local Safeguarding Children Boards Regulations 2006 sets out that the functions of the LSCB, in relation to the above objectives under section 14 of the Children Act 2004, are as follows:

- 1(a) developing policies and procedures for safeguarding and promoting the welfare of children in the area of the authority, including policies and procedures in relation to:
- (i) the action to be taken where there are concerns about a child's safety or welfare, including thresholds for intervention;
 - (ii) training of persons who work with children or in services affecting the safety and welfare of children;
 - (iii) recruitment and supervision of persons who work with children;

(iv) investigation of allegations concerning persons who work with children;
(v) safety and welfare of children who are privately fostered;
(vi) cooperation with neighbouring children's services authorities and their Board partners;
(b) communicating to persons and bodies in the area of the authority the need to safeguard and promote the welfare of children, raising their awareness of how this can best be done and encouraging them to do so;
(c) monitoring and evaluating the effectiveness of what is done by the authority and their Board partners individually and collectively to safeguard and promote the welfare of children and advising them on ways to improve;
(d) participating in the planning of services for children in the area of the authority;
and
(e) undertaking reviews of serious cases and advising the authority and their Board partners on lessons to be learned.

Regulation 5 (2) which relates to the LSCB Serious Case Reviews function and regulation 6 which relates to the LSCB Child Death functions are covered in chapter 4 of this guidance.

Regulation 5 (3) provides that an LSCB may also engage in any other activity that facilitates, or is conducive to, the achievement of its objectives

How will the service offer be provided?

The Service offer is provided by means of a financial contribution to the LSCB which forms part of a pooled budget. This budget pays for a management and support structure to enable the LSCB to carry out the above functions. There is presently a review of this structure alongside the Lancashire Adult Safeguarding Board (LASB) to look at how these can be delivered more efficiently and effectively.

What will be different and why?

Presently a review exploring the option of shared services between the LSCB and LASB which will lead to efficiency savings. Alternatively we will be again be reviewing the core business of the LSCB and the funding required to deliver.

How does the service offer link with any other service offer(s)?

Linked to the Lancashire Adult Safeguarding Board.

Outline annual transition plan which sets out the savings profile for 2015/16 , 2016/17 and 2017/18

As outlined we will be considering relevant posts required to meet the needs of both Boards via the review.

	2015/16	2016/17	2017/18	Total
Total	£0.061m	-	-	£0.061m

Service Offer	Home to Mainstream School Transport (CYP-SEO-4050)			
Gross budget 2017/18 (The amount we propose to spend)	£10.374m			
Income 2017/18 (The amount we expect to receive)	(£1.041m)			
Net budget 2017/18 (The cost to the County Council)	£9.333m			
What is the service offer?				
<p>The Continued provision of Home to mainstream School Transport. The service offer will continue to provide for transport for those statutorily entitled to transport and those accessing the Discretionary aspects of transport as set out in the policy agreed by the Cabinet Member for Children, Young People & Schools in February 2014.</p> <p>Therefore in addition to the statutory entitlement this will continue to provide support with home to mainstream school transport costs for:</p> <ul style="list-style-type: none"> • Children from low income families • Children attending their nearest faith school, subject to the parental contribution as set out in the policy 				
How will the service offer be provided?				
By the most cost effective means of transport in all cases. A robust review of current contracts will be required in order to ensure best Value For Money and which could result in savings with little impact on service users.				
What will be different and why?				
This offer retains the current policy for Home to Mainstream School Transport				
How does the service offer link with any other service offer(s)?				
N/A				
Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18				
N/A.				
	2015/16	2016/17	2017/18	Total
Total	-	-	-	-

Service Offer	Provision Planning (CYP-SEO-4040)			
Gross budget 2017/18 (The amount we propose to spend)	£0.280m			
Income 2017/18 (The amount we expect to receive)	(£0m)			
Net budget 2017/18 (The cost to the County Council)	£0.280m			
What is the service offer? To undertake the local authority's statutory duty to ensure the sufficiency of high quality school places				
How will the service offer be provided? There will be no change. Base funded posts are wholly statutory. Other work to support statutory functions are funded by schools capital programme. The Faith Centre is no longer base funded as it is traded with schools.				
What will be different and why? The new management structure will be in place from 1 st April 2015.				
How does the service offer link with any other service offer(s)? It links with the service offer of the School Improvement service				
Outline annual transition plan which sets out the savings profile for 2015/16 , 2016/17 and 2017/18 The management structure will be implemented from 1 st April 2015 which delivers the majority of the savings				
	2015/16	2016/17	2017/18	Total
Total	£0.155m	-	-	£0.155m

Service Offer	Pupil Access
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	(CYP-SEO-4035)
Gross budget 2017/18 (The amount we propose to spend)	£1.234m
Income 2017/18 (The amount we expect to receive)	(£0m)
Net budget 2017/18 (The cost to the County Council)	£1.234m
What is the service offer?	
<p>The local authority's statutory responsibilities with regard to admission of pupils to school, including appeals and complex admissions around children looked after and children missing education; pupil exclusion procedures including reintegration; home to mainstream school transport policy and eligibility; eligibility for welfare benefits; placements under fair access protocol.</p> <p>*Income is received from Academies for undertaking admissions work.</p>	
How will the service offer be provided?	
No change proposed to statutory elements	
What will be different and why?	
<p>A small amount of work is undertaken on schools' behalf that is non-statutory (usually around pupils at risk of exclusion / managed moves / missing education) that could cease. However this will lead to an increase in exclusions and length of time out of schools and place additional strain on short stay schools.</p> <p>A review is currently underway to see if this can be funded from Centrally Retained Dedicated Schools Grant (DSG).</p> <p>Alternatively / in addition:</p> <ul style="list-style-type: none"> • the level of general support provided to schools could be renegotiated, enabling a restructuring, but there is a danger that this could result in more complex problems later in the admissions process and not result in any savings to staffing. • ICT development should free up officer time and some small reductions in posts could be made. <p>More detailed work is required on these options and it is not possible to state the impact on FTEs at this stage.</p>	
How does the service offer link with any other service offer(s)?	
Links with Provision Planning	
Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18	
The new management structure will be in place by April 2015.	

	2015/16	2016/17	2017/18	Total
Total	£0.079m	-	-	£0.079m

Service Offer	School Improvement (CYP-SEO-4010)
Gross budget 2017/18 (The amount we propose to spend)	£10.674m
Income 2017/18 (The amount we expect to receive)	(£5.765m)
Net budget 2017/18 (The cost to the County Council)	£4.909m

What is the service offer?

The Service Will:

- Ensure the provision of high quality education to promote high standards and fulfilment of potential.
- Make provision for religious education in community and controlled schools.
- Promote the education of children looked after.
- Ensure that pupils of statutory school age attend school.
- Make robust educational arrangements for children resident in Lancashire who are not receiving a suitable education.
- Ensure that there are sufficient high quality places for early education.
- Ensure access to high quality education for pupils permanently excluded from school or requiring alternative educational provision due to medical needs

How will the service offer be provided?

To ensure the provision of high quality education to promote high standards and fulfilment of potential we will:

STATUTORY SCHOOL IMPROVEMENT

- Monitor the quality of provision and performance of schools through the School Service Guarantee, currently around 95% of all schools.
- Monitor the performance of state funded schools not buying in to local authority support using published performance data and other indicators where appropriate
- Provide focussed monitoring for schools at risk of falling into difficulty
- Provide advice on school planning issues, expansions, new schools, closures etc
- Attend HMI meeting and feedback at OfSTED inspection for all maintained schools

- Create and implement a Local Authority Statement of Action where a school is in an OfSTED category of concern
- Monitor the implementation of the school's action plan where they are in a category of concern
- Monitor the development and the implementation of the school's action plan for schools which are not in a category of concern but on the list of schools requiring special support including schools judged by OfSTED to Require Improvement and those at risk of falling into this category
- The service will provide Early Warning reports to the School Improvement Challenge Board on vulnerable schools and administer the schools in difficulty funding on behalf of the Schools Forum and provide advice to the Board on school improvement issues (Termly reviews on all schools) and providing advice at SICB meetings
- Carry out the statutory function of the local authority in relation to the appointment of Headteachers of maintained schools
- Carry out statutory moderation of Early Years, Key Stage 1 and Key Stage Carry out the statutory collection of data from schools for DfE
- Produce monitoring information for all schools

To Make provision for religious education in community and controlled schools we will:

- Carry out the statutory functions to develop and support the provision for Religious Education in line with the Agreed Syllabus and the work of the Standing Advisory Council for Religious Education

To promote the education of children looked after we will:

- Support the educational achievement of Children looked After at all Key Stages
- Collate, analyse and monitor the data for Children Looked After
- Monitor the quality of provision for Children Looked After
- Manage the Pupil Premium Grant and Personal education allowances for Children Looked After
- Provide education training for those working with Children Looked After

To ensure that pupils of statutory school age attend school we will:

- Carry out the statutory education welfare function of the local authority to ensure that parents carry out their legal duty to ensure that their child receives suitable full time education
- To carry out the statutory function of the local authority in relation to parents who do not ensure that their children attend school
- To monitor and challenge all state funded schools on attendance related issues and intervene where there are concerns about non compliance

To make robust educational arrangements for children resident in Lancashire who are not receiving a suitable education we will:

- Undertake tracking enquiries relating to children of compulsory school age reported as having moved into/being resident in Lancashire where there are concerns that a child may not be receiving appropriate education
- Undertake tracking enquiries relating to children of compulsory school age reported as having left educational provision in Lancashire where there are concerns that a child may not be receiving appropriate education
- Ensure children who are not located through tracking enquiries are referred onward for other service/agency intervention as set out in local protocols
- Identify through those tracking enquiries the details of children known to be resident in Lancashire who are not receiving suitable education
- Maintain a database of all such children so identified
- Provide assistance in ensuring that all identified children are tracked into appropriate provision

To ensure access to high quality education for pupils permanently excluded from school or requiring alternative educational provision due to medical needs.

- Commission sufficient alternative provision places for pupils for whom the LA has statutory responsibility
- Monitor the quality of alternative provision commissioned
- Collect, collate and analyse data in relation to attendance, progress and outcomes for pupils in commissioned alternative provision
- Management of the Lancashire Hospital and Home Teaching Service
- Provide assistance to schools and other services to ensure pupils access appropriate alternative provision
- Provide information to schools, and other stakeholders on use of alternative provision and range and quality of alternative providers

TRADED SERVICES

The service will deliver at Full Cost Recovery the following:

- A marketed School Service Guarantee to all schools who wish to purchase it (current buyback is 99% Primary schools, 81% secondary schools, 87% special schools and 100% nursery schools)
- Training and support for leadership and management
- Support for schools through individual consultancies and training
- Marketed data products including:
 - Pupil Attitude Questionnaire (250 Lancs + 50 non Lancs schools)
 - Primary School Pupil Assessment Tracking Tool (345 schools)
 - Value added information for secondary schools (73 schools)
 - Performance Indicators for Value Added Target Setting for use with pupils with SEN (1647 schools + 310 online)
 - School Information Profiles (580 schools)
 - Governors questionnaire (150 schools)

- Early Years Tracker (510 schools)
- Parental questionnaire (150 schools)
- Early Years publications (500)

To ensure that there are sufficient high quality places for early education we will:

- Carry out an annual Childcare Sufficiency Audit
- Monitor the sufficiency of child care places
- Provide advice for families on Childcare Provision through the Family Information Service (c 26,000 enquiries per annum)
- Provide subsidised safeguarding training for the Early Years Sector
- Monitor the quality of childcare places
- Support the development and maintenance of high quality childcare by childminders (900 childminders with around 12% change annually)
- Monitor the quality of provision in the Early Years settings providing Free Early Education and supporting their development (330 Private, Voluntary and Independent providers, 109 maintained nursery providers)
- Administer the Free Early Education Entitlement
- Provide data management to provide the Family Information Service, Free early education provision and monitoring quality of provision
- Provide targeted support for the development of Early Years provision in areas where parental engagement is low/ insufficient suitable places
- Provide targeted support for raising of attainment on entry to primary school in areas where attainment is lowest

Early Years Traded Services:

- Provide training and support to Early Years Day Nurseries and maintained Nursery provision
- Provide resources and training to Childminders
- Provide safeguarding training for Early Years providers

What will be different and why?

A more targeted approach focussing on disadvantaged pupils will be adopted for the following or consideration given to an increasing role for trading:

- Leading the development of the curriculum and assessment except on a traded basis
- a review of providing targeted support for primary and secondary schools in disadvantaged areas (Burnley, Pendle, Hyndburn)
- a more focussed approach to providing targeted support for schools where there is underperformance by a specific group of pupils
- a traded approach to providing support for curriculum development in disadvantaged areas

- a traded approach to providing support for groups of schools facing similar difficulties in aspects of teaching and learning e.g. Secondary maths , Secondary English, Assessment for learning
- a traded approach to providing whole school monitoring, support and challenge on attendance for maintained primary and special schools
- We will reduce the level of monitoring of Early Years settings
- We will reduce the support for settings which are in difficulty unless it is paid for by the settings
- We will reduce the support for childminder registration
- We will stop providing centrally funded support and advice to maintained early years providers and reduce the centrally funded advice to private, voluntary and independent settings

How does the service offer link with any other service offer(s)?

The duty to promote high standards and fulfilment of potential through monitoring support and intervention in schools costs around £1.5m, substantially more (£577k) than the funding envelope of £923k. The difference is covered largely by the traded School Improvement Service. The service offer above is however reliant upon an additional £170k of central funding. It is planned to increase income over the next three years in order to meet this additional cost.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

Implementation of the budget reduction plans for 2014/16 including:

- Increase trading in the Early Years
- Reduction in targeted School Improvement activity
- Cessation of school attendance consultant role
- Term time only employment of attendance workers and business support
- Reduction of monitoring of Early Years provision
- Reduction of funding to secondary schools for attendance function
- Reviewing staffing structures for grade 10 and below
- Management restructure

The service is already committed to the delivery of existing policy options which were agreed as part of the 2014/15 budget process and are planning for the achievement of these targets as an integral part of the service offer described above.

	2015/16	2016/17	2017/18	Total
Total	-	£0.392m	£0.540m	£0.932m

Service Offer	Traded Services (CYP-SEO-4100)
Gross budget 2017/18 (The amount we propose to spend)	£15.965m
Income 2017/18 (The amount we expect to receive)	(£18.810m)
Net budget 2017/18 (The cost to the County Council)	(£2.846m)
<p>What is the service offer?</p> <p>Traded Services to schools and other providers including:</p> <ul style="list-style-type: none"> • Governor Services • Schools Direct Programme (formerly Graduate Teacher Programme)* • Lancashire Music Service • Learning Excellence (LPDS) • Lancashire Teaching Agency (LTA) * • Lancashire Outdoor Education Service • Recruitment & Retention and NQTs • Conferencing facilities • Inclusion and Disability Support Service <p>* Until Sept 2016</p>	
<p>How will the service offer be provided?</p> <p>Wholly traded with the key clients being schools, school clusters and other education providers</p> <ul style="list-style-type: none"> ○ Governor Services ○ Learning Excellence (LPDS) ○ Lancashire Teaching Agency ○ Lancashire Outdoor Education Service ○ Conferencing facilities <p>Wholly Grant Funded</p> <ul style="list-style-type: none"> ○ Schools Direct (salaried) programme <p>Partial Grant Funded/Partial Traded</p> <ul style="list-style-type: none"> ○ Lancashire Music service 	

What will be different and why?

Printing charges for Governor Services will be reduced due to the implementation of a paperless service with an option for 'hard copy' provision at a premium rate (covering printing, postage and administration costs).

Management costs will be reduced.

There will be further development of the external market and paid for online resources/ publications.

We will diversify our client base.

By 2018 Lancashire Teaching Agency and The Schools Direct (Salaried) Programme will still be in existence. However as these run at cost recovery or at a surplus this will not produce a net saving.

How does the service offer link with any other service offer(s)?

N/A

Outline annual transition plan which sets out the savings profile for 2015/16 , 2016/17 and 2017/18

Plans have already been made to bring together the traded services under a single brand (Lancashire Learning Excellence) to this end work has been undertaken with schools and through the Partnership Board consisting of headteachers and County Officers to identify the range of services that schools in Lancashire wish to exist and are willing to purchase. To increase efficiency the business support for most of these services has been centralised and significantly reduced in numbers.

As the vast majority of staff within these services are income generating it is unlikely that there will be a decrease in staffing numbers, as a decrease would be self defeating. The target is to increase business and widen the business margins (currently operating across the group at a 'surplus' margin of 5%)

The projected surplus for 2014/15 demonstrates a 23% increase from the previous year.

	2015/16	2016/17	2017/18	Total
Total	£0.827m	£0.387m	£0.397m	£1.611m

Service Offer	School Liaison and Compliance (CYP-SEO-4045)
Gross budget 2017/18 (The amount we propose to spend)	£0.370m

Income 2017/18 (The amount we expect to receive)	(£0.209m)			
Net budget 2017/18 (The cost to the County Council)	£0.161m			
What is the service offer?				
<p>Servicing of Schools Forum; infant class size compliance; school term dates (Community and Voluntary Controlled schools) ; education off site visits policy and guidelines (Community and Voluntary Controlled schools);</p> <p>Support for Education visits</p> <p>Coordination of unavoidable school closures; changes to school session times; servicing of Diocesan meetings and internal CYPD meetings; other ad hoc requirements.</p>				
How will the service offer be provided?				
<p>Full cost recovery on education visits from schools and other users and located within Traded Services.</p> <p>Schools Forum fully funding servicing of Schools Forum (as now) and located within Corporate Commissioning.</p> <p>Remaining statutory work will still need to be covered.</p>				
What will be different and why?				
A new management structure will be in place from 1 April 2015.				
How does the service offer link with any other service offer(s)?				
N/A				
Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18				
	2015/16	2016/17	2017/18	Total
Total	£0.048m	-	-	£0.048m

Service Offer	Youth Offending Team (CYP-SEO-4090)
Gross budget 2017/18 (The amount we propose to spend)	£5.484m

Income 2017/18 (The amount we expect to receive)	(£3.303m)
Net budget 2017/18 (The cost to the County Council)	£2.181m
What is the service offer?	
<p>To deliver, in partnership, statutory services for youth justice and children's social care in line with legalisation and national requirements by appropriately trained staff – for approximately 1,000 young people and approximately 1,400 court/police outcomes.</p> <p>To provide a multi-agency assessments of risk and need for young people and their families in the criminal justice process; ensuring the compliance of court orders within the community and in secure/custodial establishments.</p> <p>To safeguard young people, prevent young people offending and reduce reoffending by accessing universal and specialist services, and supporting transition from youth to adult services.</p> <p>To protect communities from harm and provide a service to victims through the management of risk and restorative interventions.</p>	
How will the service offer be provided?	
<p>The service will be provided through the current multi-disciplinary area based model of delivery across Lancashire. The Youth Offending Team will continue to service the courts and discharge its statutory functions of assessments and interventions. The service will continue to work together pan Lancashire in specific areas of service delivery, such as Restorative Justice.</p>	
What will be different and why?	
<p>In light of previous changes to delivery following funding reductions, there will be no significant difference to the delivery of Youth Justice Services in Lancashire. This is based on the assumption that partner funding contributions remain stable and allow for this continuation of delivery which has already involved integration with other services, for example, Children's Social Care.</p> <p>The biggest change over the coming year will mean the Youth Offending Team will no longer have a dedicated post to offer a coordinated approach in response to local and national developments to improve practice and performance in line with the inspection framework. This will be undertaken through local teams and overseen by the management team.</p> <p>The management of business support will also be shared across teams, and therefore supporting a reduction in staffing by two staff from this function.</p>	

How does the service offer link with any other service offer(s)?

The service offer links with the early help offer of targeted prevention for those young people who are on the cusp of reoffending. This service offer also links with the offer from Children's Social Care and will support provision of statutory functions for children looked after and children in need known to the Youth Offending Team.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

Reduction in three staff will be undertaken in 2014/15.

	2015/16	2016/17	2017/18	Total
Total £m	£0.090m	-	-	£0.090m

Highway Services

Service Offer	Highways (ENV-SEO-2008)
Gross budget 2017/18 (The amount we propose to spend)	£76.371m
Income 2017/18 (The amount we expect to receive)	(£44.498m)
Net budget 2017/18 (The cost to the County Council)	£31.873m

What is the service offer?

Roads & Streets Maintenance (Includes Local Network Management and Highway Operations)

- Maintain 7000km of highway network in accordance with the highway maintenance plan, concentrating resources on managing and maintaining the network in a safe and serviceable condition safeguarding the county council from claims and other legal challenges.
- Undertake highway defect repairs that meet the intervention levels as set out in a revised highway safety inspection policy (subject to production and approval).
- Undertake highway maintenance revenue works in all 12 districts through in house teams reducing reliance on contractors.
- Maintain existing traffic signs and road markings to support the integrity of the parking enforcement regime.
- Traffic Regulation Orders will be considered in situations where there is an existing injury accident record and where implementation of the measure would

be expected to bring casualty reduction benefits. Where resources allow measures which contribute to better strategic traffic management, economic growth, and significant environmental improvement will be considered.

- The maintenance of green space will continue under existing arrangements, maintaining the current relationships with districts and parish councils.
- Responsive maintenance requests for works will be limited and with little scope for improvements.
- Requests for service will be assessed and responded to where appropriate within 20 working days. All enquirers will be expected to use on-line and electronic media, where those channels are available, to track progress of any investigation and repair activity.
- An out of hours call out service to respond to emergencies will be provided.

Street Lighting (including street lighting energy)

- Maintain approximately 158,000 street lights and 12,000 illuminated traffic signs to ensure compliance with our statutory duty to maintain.
- Attend to reports of defects within 5 working days.
- Undertake cyclic maintenance at 5 yearly intervals (subject to consideration of the scope to extend).
- Provide a night inspection service at regular intervals.
- Provide an out of hours call out service to respond to emergencies.
- Manage the street lighting stock to minimise consumption of energy. All street lights will be dimmed (+50%) over a 5 year maintenance cycle. Where possible and subject to capital investment LED will replace other existing forms of lighting.

Drainage and Flood Prevention

Fulfil the County Council's statutory obligations as a Highway Authority and a Lead Local Flood Authority, through the powers and duties in the Flood and Water Management Act 2010 and related legislation. Specifically;

- Continue development and application of the Flood Risk Management Strategy.
- Contribute to the designation of structures as appropriate and the maintenance of a record and register for assets and features that effect flood risk held by Asset management group.
- Investigate flooding where necessary and appropriate (where this affects 5 or more properties).
- Undertake the Sustainable Drainage System Approval Board function.
- Act as Lead Local Flood Authority to promote partnership working with other Risk Management Authorities, including the development of bids for external funding for flood alleviation schemes.
- Base the frequency of cyclic maintenance of gullies on need. This frequency will be fully defined once more on site information is gathered and local conditions are understood.
- Undertake drainage defect repair works primarily informed through the cyclic maintenance programme, focussing attention on the areas of greatest need enabling work programmes to be efficiently managed to ensure greatest

productivity

- Prioritise reactive maintenance works where highway drainage system defects are causing significant difficulties to the travelling public or affecting property.

Severe Weather

The purpose of this service is to manage our response to severe weather events meeting our statutory duty under the Highways Act 1980.

- Provide a weather monitoring service during the recognised winter period, assessing weather forecast information and determining treatment necessary to the priority, secondary and remaining highway network
- Develop, review and maintain the winter service plan
- Ensure suitable arrangements are in place for the provision of a weather forecasting service, external weather monitoring equipment and maintenance and salt supplies associated with the provision of the winter service plan
- Maintain appropriate in house qualified drivers to drive the gritting fleet
- Instigate and implement treatment in accordance with the winter service plan
- Manage the supply of salt and stock levels throughout the winter period
- Deploy resource accordingly to respond to severe weather events other than winter, i.e. severe storms dealing with the effects of rain, wind and flooding.
- Ensure resources are in place to deliver snow clearance following snow events

Keep Traffic Moving

The purpose of this service is to manage the highway network to allow safe and expeditious movement of traffic, and minimise disruption and congestion, as primary contributions to meeting the County Council's statutory duties under the Traffic Management Act 2004.

- Provide highway comments as a consultee to the local planning authorities on development proposals. It is predicted that 5100 applications will be considered in 14/15 and this is likely to increase as development proposals increase. The response time to the consultations will increase as a result of this and due to a likely increase in officer case load due to a reduction in management capacity (which currently carries part of the case load. Applications will be prioritised in accordance with their additional impact on the highway.
- High case loads require the Local Planning Authority to negotiate with LCC in order to prioritise responses. This leads to statutory response times for some applications knowingly being missed in order to focus on priorities. This will occur more as case loads rise, and bring a greater risk of successful appeals by developers, or some applications being determined without the benefit of a comprehensive highway response.
- Secure appropriate agreements and contributions from developers for infrastructure provision (S106/CIL, S278) and adoption for those applications considered.
- Deliver highway co-ordination and streetworks management services in line with the Traffic Management Act 2004 and New Roads and Streetworks Act

1991.

- Manage and deliver safety and condition inspection programmes for highway and drainage assets, including materials testing, and provide the data collected to Asset Management to inform asset management lifecycle planning.
- Safety audit of new highway schemes and the assessment of road collisions and interventions to address identified problems.
- Monitor and control the movement of abnormal loads on the network to prevent damage to highway structures and to avoid unnecessary congestion and delay.
- Contribute technical input to the development, review and maintenance of the Transport Asset Management Plan and associated technical documents by Asset Management Group.
- Contribute as necessary to the annual asset valuation for Whole Government Accounts by Asset Management Group.
- Ensure that appropriate technical standards, maintenance plans and strategies are maintained and adhered to in relation to the County's highway assets.
- Deliver highway co-ordination and streetworks management services in line with the Traffic Management Act 2004 and New Roads and Streetworks Act 1991.
- Contribute information to maintaining the County's element of the National Streetworks Gazetteer, in conjunction with Asset Management.

Parking Services

This service contributes to meeting the County Council's statutory duties under the Traffic Management Act 2004. Specifically;

- Management and coordination of on street enforcement, supported by back office processing of Penalty Charge Notice (PCN) challenges and appeals, in accordance with statutory timescales and procedures for challenges and appeals.
- Management of resident parking schemes.

Traffic Signals

This service supports the network management duty by maintaining and optimising the performance of traffic signal installations at key and sensitive locations on the network. The service undertakes design and implementation of new installations as identified through development or network management interventions and management of the highway sponsorship programme

Stakeholder Engagement

The reduction in management capacity within the highway service and a reduced ability to engage specifically with elected members on specific issues mean that many more queries will have to be reported using the Customer service centre with updates to queries being accessed through those same channels. The highway service will be unable to support regular 1 to 1 meetings with Members. There will be less forward looking liaison with district and parish councils and the contact will become much more transactional.

How will the service offer be provided?

The service offer will be provided utilising our existing in house resource with less reliance on external contractors as the workload is expected to reduce , however this existing resource will be expanded with the use of contractors to manage peaks in demand and for works of a specialist nature within the highway maintenance area (for example specialist road surface treatments and sudden increases in defects requiring action)

In relation to severe weather, contractors will continue to be used in the area of snow clearance particularly in the more rural areas of the county and we will continue to work with district, parish and town councils on footway treatments, this additional resource is a supplement to our existing in house resource.

Maintenance of the green space (highway verge grass cutting, weed treatment, shrub and tree maintenance) will be undertaken by those districts and parish and town councils that wish to continue under the existing public realm agreements. In those districts were this is not the case this work will be undertaken in house and contractors used to manage peaks in demand.

Currently a contractual arrangement exists with Lancaster City Council for the provision of some highway maintenance works in the Lancaster district, however given the reducing workload there will not be the need for this arrangement. A TUPE transfer of employees may be necessary to terminate the arrangement. There will be modest associated one-off costs which can be met from within first year savings.

The highways service currently utilises a number of different legacy ICT systems to support the provision of the service; these systems were developed and introduced over a number of years and at times when the service was delivered in a less cohesive way, resulting in an inadequate level of integration. It is anticipated that through the previously agreed option of developing a core ICT system, through a significant transformation programme, that a more integrated and streamlined system will be introduced thus improving efficiency of operation resulting in a reduced staffing requirement.

Within the statement of requirements forming the core system there will be a greater reliance on the support for mobile working enabling improved collection, receipt and output of information as part of end to end workflows. This will reduce the need for individuals to handle the same information and manage it within a variety of different systems, thus improving efficiency and information management. A significant benefit of an integrated ICT system will be the level of management information available within the system enabling better decisions to be made regarding deployment of resources

The use of the ICT system also requires members of the public and their representatives, including county councillors, to access the service predominantly through the customer service centre or internet as the service will make significantly greater use of the "self-service" facility that new technology affords. It is anticipated that the self service facility referred to above will be integrated with the core ICT system and result in an improved customer experience as they will be able to monitor

the progress being made with their enquiry, thus reducing the need to chase progress.

It is anticipated that as a result of the greater efficiency, a reliance on ICT systems and the acceptance of self- service, approximately 26 less full time equivalent members of staff will be required based on current establishment numbers. The funding envelope for the service has taken this into account. At this stage it is not possible to identify precisely where these savings will be realised within the service as work is currently on-going to develop the core system offer.

What will be different and why?

Roads & Streets Maintenance

- Not all highway reports received from elected members and the public will result in works being undertaken; many will result in no further action as the nature of the report doesn't warrant action against the intervention levels identified in the Highway Safety Inspection Policy.
- A new Highway Safety Inspection policy proposal will result in less defects being identified in the footway as the intervention level is proposed to change from 20mm to 25mm for the majority of the footway network.
- Less traffic signs and road markings will be maintained than current as there will be greater prioritisation associated with ensuring that the parking monitoring restrictions are enforceable.
- Requests for traffic regulation orders such as residential parking/waiting restrictions, residents parking and speed limit orders will be prioritised after casualty reduction, strategic traffic management, economic growth and environmental improvement. This will result in many requests not being progressed.
- There will be less maintenance work carried out in response to requests which do not meet defect intervention levels.
- The current target response time to enquiries is 10 days; this will be increased to 20 working days.
- The contractual arrangements with Lancaster CC for the provision of highway maintenance services will be terminated as there will be less work resulting in a reduced need for contractors.

Street Lighting

- The service offer proposes that where ever possible the existing lighting is replaced with LED units and where this is not possible the units are operated at 50% light level all night. Currently, on residential roads those units that are dimmed do so between 2200hrs and 0630 hours, and for those units on traffic routes that are dimmed they do so between the hours of 1900hrs and 0700hours. This proposal will dim units that are able to do so during all hours they are lit, in the winter months this will see lights dimmed to 50% of light level from mid afternoon, as opposed to 1900hrs or 2200hrs.

Drainage & Flood Prevention

- Proactive engagement in flood investigations that do not meet policy criteria

will cease.

- Proactive identification of flood assets for the record/register will cease.
- Resources will be focused on delivering the statutory processes such as consenting and Sustainable Drainage System (SuDS) Approval, and as a consequence, the capacity for officers to devote time to developing potential flood alleviation schemes and bids may reduce.
- Frequency of cyclic maintenance for gullies will be reduced from a visit of at least every 12 months to one based on need , initially it is anticipated that the majority of gullies will be visited once every 18 months, however it is anticipated that the interval maybe further extended where local conditions permit.
- Not all reports of standing water on the highway will result in works taking place.

Keep Traffic Moving

- With greater demands on staff resources and an increase in workload for Developer Support, agreements will be required with the local planning authorities identifying types of development that will have reduced or nil input in terms of a highway consultation response.
- It will no longer be possible to guarantee liaison with members on consultation responses.

Parking Services

- Enforcement hours will be reduced later this year, from 70,000 to 63,000 annually. The intention is to offset the impact of this through better targeting of enforcement. This approach has been agreed through the recent budget savings work, and will develop further.
- Flexibility to purchase additional hours in the future will be reduced as the cost envelope for this service is being reduced. Hence targeting of enforcement towards areas of significant and persistent parking transgressions will be further refined, meaning rural and some urban areas will receive little or no enforcement.

Traffic Signals

- The chargeable rectification of equipment failures will be prioritised towards those junctions where safety or major delay risks are most acute so as to optimise network performance for the available investment. This may mean that repairs at more lightly trafficked junctions, where minor delays are being incurred, take longer to be implemented.

Priorities Contingency

- The ability to support local members to introduce minor highway and traffic improvements will no longer be available.

Stakeholder Engagement

- There will be less capacity within services to undertake liaison with key stakeholders due to reduced management resource and the introduction of new systems. There will be more limited capacity to engage direct with Members in the way that they currently enjoy.

How does the service offer link with any other service offer(s)?

The highways service will link with that provided by Asset in relation to the identification of the highway network which will require intervention.

The highways service will link with that provided by Legal in relation to defending highway claims and the provision of service associated with the production of traffic/speed orders and any formal serving and enforcement action to be taken under the relevant legislation which will primarily be the Highways Act 1980.

The service will also link with that provided by Fleet in relation to maintenance of plant and vehicles ensuring that the highways service has sufficient vehicles and plant available to deliver the service offer in relation to highway maintenance.

The highways service will call upon the Design and Construction service to provide design and contract management service linked to the highway capital programme.

Outline annual transition plan which sets out the savings profile for 2015/16 , 2016/17 and 2017/18

Those reductions identified in relation to highway maintenance defects will be delivered as a result of increased investment through the TAMP (planned investment in 2015/16 and 2016/17) and additional DfT funding received and implemented this year. In addition, proposed change in highway safety inspection policy will reduce the number of highway defects requiring attention and therefore expenditure from 2015/16 onwards.

Operational budgets will be reduced accordingly in the relevant year to take into account the anticipated reduction in workload, revised policies and identified efficiencies.

In relation to the 2014/15 budget reduction of £900k described as "Asset management within Highways and Property", this equates to approximately 26 less full time equivalents through the greater use of ICT as indicated earlier in the offer. However it is felt that this saving relating to full time equivalents should be realised in 2016/17 thereby reducing the permanent establishment from this point and not in 2017/18 as originally envisaged to ensure that we remain within the funding envelope for the service.

It is anticipated, that we will need to employ a number of staff beyond April 2016 for a limited time to assist with the implementation and transition to the new ICT systems and processes. This time limited staffing figure is still being developed through the work of the core system transformation project, but, it is clear that some financial support from the downsizing reserve will be required to cover this up to £900k

	2015/16	2016/17	2017/18	Total
Total	£4.394m	£0.324m	£0.214m	£4.932m

Service Offer	Sustainable Travel (ENV- SEO-2014)
Gross budget 2017/18 (The amount we propose to spend)	£0.162m
Income 2017/18 (The amount we expect to receive)	(£0m)
Net budget 2017/18 (The cost to the County Council)	£0.162m

What is the service offer?

The provision of cycling related activity as follows:

- Cycling scheme development
- Cycling capital programme development
- Provision of advice on cycling issues for development control and planning applications

How will the service offer be provided?

The service offer will be provided in-house. In future cycling issues will be dealt with as part of other initiatives such as masterplan delivery. Cycling issues will be covered in this way rather than there being a bespoke cycling team.

What will be different and why?

The revised service will offer the following:

- Advice on cycling issues including development control and planning applications
- Development and advice on cycling schemes in conjunction with Masterplan process
- Development and formulation of bids for external funding, as and when required
- Development of cycling capital programme schemes in conjunction with other parties

There will be no provision for business engagement (travel planning) apart from work that would be required as part of a planning permission and in those cases it would be a condition that the work would be carried out by the applicant.

The proposals assume that Lancashire Sustainable Transport Fund (LSTF) funding will have ceased and there will be no requirement for the LSTF implementation team

There will be more emphasis on the health related benefits of cycling and active travel

How does the service offer link with any other service offer(s)?

There will be links with Health and with the Environmental and Community Projects team

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

	2015/16	2016/17	2017/18	Total
Total	£0.051m	£0.412m	-	£0.463m

Bus and Rail Travel

Service Offer	Bus and Rail Travel (ENV-SEO-2003)
Gross budget 2017/18 (The amount we propose to spend)	£44.906m
Income 2017/18 (The amount we expect to receive)	(£9.200m)
Net budget 2017/18 (The cost to the County Council)	£35.706m

What is the service offer?

Bus Services

- Provision of the current network of subsidised bus services to the value of £7.6m per annum
- Management of bus stations/interchanges at Nelson, Chorley, Preston, Accrington and Rawtenstall.
- Revised staff numbers to reflect decrease in provision.
- Provision of timetable information for leaflets, web and other media.

Community Transport

- Provision of dial-a-ride and community car services, working in partnership with mix of LCC and third sector provision.

Concessionary Travel

- Administration of 203,000 passes and 22,000 disabled passes.
- Administration of concessionary travel agreement with 19 bus operators.

County Information Centres

- Provision of information centres at Preston, Carnforth, Nelson and Clitheroe. Information and ticket sales will be provided at each of these locations.

Rail service development

- Development of new rail infrastructure for the county in line with Highways and Transport Masterplan requirements.
- Delivery of Community rail partnerships.
- Engagement with Rail North to deliver LCC agenda.

Vehicle testing

- Contracted vehicle checks at schools

Provision of specialist transport provision as commissioned for young people and adults

- Mainstream Home to School Transport
- production of 13,500 free passes for statutory pass holders
- Short term emergency transport
- Re-imburement to parents to provide own transport
- ACERS
- Statutory cohorts:
- Permanently excluded
- Medical Needs
- Not on a school role/hard to place
- Primary pupils require an escort
- Adult social care transport provision.

Note – specialist transport provision requires cross reference to reviews being undertaken in CYP and ACS

Other transport provision

- Provision of tramway facilities on Fylde Coast and Knott End Ferry.

How will the service offer be provided?

The service will generally be provided as follows:

Bus services

- Route planning to maximise benefits and income levels for subsidised bus services
- Procurement of operators for individual routes
- Bus station management through mix of contracted arrangements and direct management. By 2017 – manage all facilities in house or contract in for all?

Community Transport

- Revised structure for CT operators to deliver geographic efficiencies and make them as economically viable as possible.

Concessionary Travel

- Public transport team to negotiate concessionary travel agreement, manage pass production process etc.

County Information centres

- LCC staffing only at locations where income levels mean they cover costs through ticket sales. This would equate to provision at Carnforth, Clitheroe, Nelson and Preston with the withdrawal of facilities at Burscough and Burnley. Facilities at Burnley and Burscough would be withdrawn with the loss of information and ticketing provision at each location

Rail

- Officer engagement with community rail groups and rail industry to deliver specific projects and enhancements.
- Rail North funding model and scope still under development with DfT and 30 regional partners – it is anticipated that funding will transfer for delivery.

Other transport provision

- Provision of tram through partnership with Blackpool Council and contracted ferry service, jointly funded by LCC and Wyre

Vehicle testing

- Contracted vehicle checks at schools and this may be combined with fleet maintenance under the proposed new structure.

Specialist Transport

- Route planning and procurement - in house production of passes etc.
- Link to ACS/CYP reviews/ITU to ensure efficiencies and to establish strongest possible eligibility criteria and deliver most efficient form of transport for LCC.
- Costs for no-statutory/intervention etc are invoiced to PRU (they then recoup costs from commissioning school)
- Some pupils will travel by bus and be issued with a bus pass. This is funded via Pupil Access or occasionally by the PRU itself

What will be different and why?

- Enhanced and better co-ordinated rail offer. More local influence of service specification and provision.
- More automation in information provision and pass production – consider reducing frequency of pass replacement - reducing administration burden and requirements on users to regularly re-apply.

How does the service offer link with any other service offer(s)?				
<ul style="list-style-type: none"> Needs to link with reviews of spend/provision/eligibility in CYP and ASHW as well as review of Travelcare/ITU and fleet. 				
Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18				
<u>County Information Centres</u>				
Close Information Centres at Burscough and Burnley, saving of £80k per annum from 2016/17				
<u>Transport Review</u>				
The wider review of transport which will result in the merger of ITU, Fleet and Public Transport will bring efficiencies in terms of number of staff, although at this stage these efficiencies have not been quantified.				
	2015/16	2016/17	2017/18	Total
Total	£0.658m	£0.081m	-	£0.739m

Waste Management

Service Offer	Waste Management (ENV- SEO-2013)
Gross budget 2017/18 (The amount we propose to spend)	£107.795m
Income 2017/18 (The amount we expect to receive)	(£20.119m)
Net budget 2017/18 (The cost to the County Council)	£87.676m
What is the service offer?	
The key elements of the service offer are:	
<ul style="list-style-type: none"> Recycling and Cost Sharing (£10.2m) Cost Sharing agreements with Waste Collection Authorities will be maintained in 	

2017/18. It should be noted that it is currently anticipated that these agreements will end and a substantial amount of the proposed spend in this area will be saved from 2018/19 onwards. This could be considered as an area for saving if a 'one-off saving' if the equivalent amount can be found in 2017/18.

This element allows for the continuation of third sector re-use credit payments.

- **Landfill (£24m)**

Payment of landfill gate fees, landfill tax, Mechanical Biological Treatment (MBT) process residue offtake fees, costs of application of Organic Growth Media to land and Waste Collection Authority tipping away fees. Assumes 0% waste growth; period 2015/16 to 2017/18.

- **Green Waste (£0.5m)**

Provision of green waste composting facilities through third party contracts in East Lancashire and for surplus compostable material at peak periods from the waste recovery parks.

- **Household Waste Recycling Centres (HWRCs) (£6.9m)**

Provision of 15 HWRCs and 2 facilities providing additional services in Pendle and Wyre. Includes estimated income/cost reduction (-£0.5m) from implementation of charging proposals.

- **Waste Recovery Parks (£47.5m)**

Provision of Waste Recovery Parks at Thornton and Farington. Includes all operating costs, debt repayment, transport costs and previous PFI pass-through costs. Note that the cost is net of income from recyclable sales (-£3.9m). Assumes increase in operating costs based on inflation and £0.5m saving on current operating costs. The provision of Waste Recovery Parks includes delivery of the existing Waste Education Service, Community Sector Programme, Community Liaison and Engagement and Waste Minimisation Service.

- **Transfer stations (£2.4m)**

Provision of 4 waste transfer stations in Preston, Blackpool, Pendle and Lancaster through third party contracts.

- **Miscellaneous**

Remainder of budget provides for miscellaneous costs including clinical waste, abandoned vehicles, tyres hazardous wastes etc and commercial and industrial income (-£1.6m).

How will the service offer be provided?

There will be no change to how the service offer is provided. Namely through a variety of third party contracts, waste operating company and Lancashire Waste Partnership.

However there are the following inherent risks associated with this service offer:

- The continued receipt of the waste PFI grant has been assumed in preparing this service offer. This is however subject to negotiations with DEFRA and would create a £6m shortfall if not received.
- The gross budget forecast and service offer assumes no growth in waste arisings on 2014/15 levels. Any increase in waste arising could significantly affect the service offer. A 1% increase in waste arising was encountered in 2013/14. A 1% increase in waste arising would create an equivalent annual cost of approximately £300-£350k. An accumulative 1% annual increase would create an additional burden on the budget of in the region of £1m in 2017/18.
- Increases in inflation have been applied to the gross budget. No indication of what indexation has been applied, or how, is given. Elements of existing waste contracts have different means of applying indexation. Any increase in indexation above that which has been applied to the gross budget may affect the service offer.
- A notional rate of diversion from landfill at an average cost has been applied to the service offer. The ability to achieve diversion at the assumed rates is uncertain at this time.
- Unforeseen increases in WRP operating costs, particularly in relation to increased maintenance, lifecycle, repair/rectification and utilities costs may affect the assumptions in the service offer.
- Reduction in income in relation to HWRC charging proposals, commercial and industrial, sale of recyclables and PFI grant may affect the service offer.
- There is the potential for increased costs as a result of re-tendering process for HWRCs, green waste and transfer station contracts.

What will be different and why?

Behavioural Change and Raising Awareness - Waste Minimisation Initiatives (£0.052m) will not be funded by the Waste Management Group. Waste minimisation initiatives and projects will be provided jointly with the waste company as a function of the waste recovery parks. Funding for initiatives will be sought externally or met from the company operating costs or the waste management budget; where a suitable business case for such initiatives exists.

Income will be generated at the household waste recycling centres by charging for some non-household waste types, namely, soil, rubble and plasterboard. The decision to consider options for the introduction of charges for, or limits on, non-household waste types was taken by Cabinet in January 2014. The implementation of a charging policy for these wastes will have the additional operational benefits of reducing the amount of this type of waste delivered. This will help to reduce congestion on site and the reduction of quantity of non-household waste will benefit future procurement

exercises. Fly-tipping could occur as a result of the implementation of charges, however, it would be anticipated that such action will generally only be short term; after the initial introduction of the policy. Furthermore, allowing a limited amount of free disposal and setting charges at a 'reasonable' level (based on cost of dealing with the waste) will help to mitigate the risk of fly tipping.

The two waste plants will in future operate outside of the waste PFI arrangements, within a publically owned company, which will enable the Council to reduce significantly future waste processing costs.

How does the service offer link with any other service offer(s)?

None

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

A large percentage of the overall budget reduction (circa £18m) will be achieved in 2015/16 through the changed arrangements of the waste PFI and through charging for non-household waste received at our household waste recycling centres. However a one-off payment of approximately £6m will be necessary in 2015/16 as part of the agreed financial settlement of the waste PFI changes.

The remainder will be achieved over the two remaining years.

It should be noted that growth in the waste budget and the risks outlined above will need to be managed throughout the period.

	2015/16	2016/17	2017/18	Total
Total	£18.000m	£1.053m	£1.000m	£20.053m

Other Environment Services

Service Offer	Asset Management (Highway) ENV- SEO-2001
Gross budget 2017/18 (The amount we propose to spend)	£0.995m
Income 2017/18 (The amount we expect to receive)	(£0.087m)
Net budget 2017/18 (The cost to the County Council)	£0.907m

What is the service offer?

The service will focus on delivering the functions listed below. Some of these functions are generic to a wide range of assets and asset characteristics, and the scale and scope of the functions undertaken will be heavily dependent on the staff resources and skills available, and the successful integration of core systems. There will need to be choices made around prioritisation of activities, commensurate with resources.

Proposed Asset Management Functions

- Provide and review strategy, policy and programmes for the management, improvement and maintenance of highway assets, including the Highways Capital Programme
- Provide and implement strategies for data gathering associated with the above
- Undertake data analysis associated with the above, to include deterioration modelling, strategic risk assessment, performance monitoring and measurement, and lifecycle optimisation
- Maintain appropriate inventory and other records relevant to the highway asset, including adoption status, treatments undertaken, and ownership investigation
- Lead on the development, review and maintenance of the Transport Asset Management Plan, the Highway Maintenance Plan and other highway related plans, strategies and technical standards.
- Lead on the provision of annual highway asset valuation for Whole of Government Accounts.
- Lead on the management and development of the highways claims strategy, including data analysis.
- Deliver the function of LCC Street Custodian, including maintenance of the County Council's element of the National Streetworks Gazetteer, and ensuring its regular population with Associated Street Data.
- Develop and maintain an inventory of key drainage infrastructure, and statutory flood risk asset record and register, to support the County Council's role as lead flood authority, to include information on Sustainable Drainage Systems (SuDS) adoption, designation, condition and ownership as appropriate.
- Manage the receipt, analysis and dissemination of traffic accident statistics data.
- Develop strategies for, and manage highway related energy consumption and associated payments
- Provide strategies for the collection and maintenance of data to support highway search enquiries, and maintain a system facilitating public and other external enquiries
- Lead on the annual review and confirmation of Fees and Charges for highway and flood related assets.

How will the service offer be provided?

The Asset Group will focus on outcome based commissioning functions, with delivery of support activities such as inspection provided by Highways and made available to Asset through core systems. In providing and reviewing strategy, policy and programmes, Asset Group will provide a lead role and convene operational technical

input from Highways officers as necessary.

What will be different and why?

The following current Asset Management Group functions (and a number of staff) will move to Highways;

- Deliver highway co-ordination and streetworks management services in line with the Traffic Management Act 2004 and New Roads and Streetworks Act 1991.
- Manage and deliver safety and condition inspection programmes for highway and drainage assets, and provide the data collected to Asset Management to inform asset management lifecycle planning.
- Provide, review, maintain and deliver an effective winter service strategy, including route optimisation, salt procurement and consumption monitoring, and the specification and procurement of weather prediction services.
- Provide quality control services, including materials testing and specification, coring, reinstatements, analysis of materials failures, and processes associated with the delivery and recording of defect rectification

For clarity, Highways will fulfil the following roles in supporting Asset Management functions;

- Contribute technical input to the development, review and maintenance of the Transport Asset Management Plan, the Highway Maintenance Plan, and other highway related plans, strategies and technical standards by the Asset Management Group.
- Contribute as necessary to the annual asset valuation for Whole Government Accounts by Asset Management Group.
- Ensure that appropriate technical standards, maintenance plans and strategies are adhered to in relation to the County's highway assets.
- Contribute information to Asset Management for maintaining the LCC element of the National Streetworks Gazetteer.

In order to make the targeted third party cost saving for the service of £41646, the following adjustments are proposed:

Video Surveys; reduce allocation from £50k to £20k: by 2017/18 the initial video survey of the network will have been completed and the demand will be for occasional updates in particular locations, hence the scope to reduce the allocation.

Visual condition surveys; by 2017/18 the video inventory will reduce the need for some visual condition data collection, a reduction from £30k to £25k is proposed.

Miscellaneous; a reduction from £15k to £8k is proposed.

The effect of this is that data collection in the new service offer will be more technology led, helping to maximise the benefits of core systems.

How does the service offer link with any other service offer(s)?

The service offer links closely to Highways. Asset Management will provide the policy framework for Highway functions, and determine strategic priorities and programmes of work for Highways to deliver. Highways in turn will contribute to meeting Asset Management's data and operational/technical information needs.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

Transition plan assumes no further VR savings, which may not be the case. The savings target of £106k to be achieved through a reduction in management costs in 2015/16 of £64,354, and the third party cost reductions as previously described of £41,646 delivered in 2017/18

	2015/16	2016/17	2017/18	Total
Total	£0.064m	-	£0.042m	£0.106m

Service Offer	Countryside, Public Rights of Way and Environment & Community Projects (ENV- SEO-2015)
Gross budget 2017/18 (The amount we propose to spend)	£1.529m
Income 2017/18 (The amount we expect to receive)	(£0.092m)
Net budget 2017/18 (The cost to the County Council)	£1.437m

What is the service offer?**Countryside**

- Targeted maintenance at the County Council's 93 countryside sites for residents and visitors, prioritising the most popular sites.
- Support our network of over 100 volunteer rangers to facilitate access to the countryside.
- Provide a small countryside events programme, focussing on residents in Priority Neighbourhoods.

PROW

- Of the 5,500 km of Public Rights of Way, a 'core' network to be defined and most maintenance to be prioritised on this core.
- Investigate complaints about the network and take action, with a focus on the 'core' network.
- Maintain the Definitive Map & Statement and use powers to create, divert or extinguish public paths.
- Support local delivery of PROW maintenance.

Environment & Community Projects

- Project support for communities to improve their local environment, especially in Priority Neighbourhoods.
- Support for the development and implementation of strategic projects that improve health and the environment, especially in Priority Neighbourhoods.
- Implementation of the Forest of Bowland AONB Management Plan (if Defra and partner income continues).
- Ongoing support for the implementation of the Priority Neighbourhoods programme.

How will the service offer be provided?

- Much greater integration and joint working between staff in the countryside, PROW and environment & community projects teams.
- Peripatetic staff will work across disciplines to support a wide range of service objectives.
- Service provision will be prioritised to the most marginalised communities and the areas of greatest need.
- Strengthened partnership working, particularly with district councils (eg community projects, home energy projects) and parish councils (eg PROW local delivery scheme).
- Continued support for volunteers to assist with delivery, especially in the countryside service.

What will be different and why?

A budget decision was taken in February 2014, as part of the County Council's Medium Term Financial Strategy, to reduce the Countryside Service and the Public Rights of Way Service by £0.548m per annum.

This service offer recognises the severe impact that such a sizeable budget reduction would have on the service, and takes the opportunity to make a small enhancement to the staffing and operational resources in this area in order to reduce the severity of the service impact.

The service areas which will not now be as severely impacted are:

- Maintenance of the Public Rights of Way Network. We will continue to define and maintain a core network and repair only health and safety risks on the other parts of the network. But we will put more resources into this service than originally proposed to reduce the impact of the budget reductions on residents and visitors.
- Countryside site maintenance. We will undertake more maintenance than was proposed, but this will still be at a significantly reduced level compared to current levels of maintenance.

How does the service offer link with any other service offer(s)?

The service offer is not dependent on other service offers, and any links will be minor. There may however be an impact on the service offer for Highways (Operations) because there will be reduced spending on countryside site maintenance. This will

affect the income of the Response Team in Highways Operations since the team carries out most site maintenance.

Income will be maintained through long term rental agreements for land and property; and from car parking income at countryside sites.

Some staff time will be recharged to capital projects (eg, East Lancashire Strategic Cycle Network).

External grant income (eg Forest of Bowland AONB grant from DEFRA, Pennine Bridleway ranger) will be pursued.

Relationships will be established with the Programme Office; and the Well Being, Prevention & Early Help Service to maximise opportunities for external income.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

2015/16 – reductions in management costs.

Reduction in staff costs for PROW and Countryside.

Cessation of PROW agency agreement with Pendle BC.

Identification of core PROW network to prioritise maintenance.

Formalisation of hierarchy for prioritising action on reports and complaints on PROWs.

2016/17 – reductions in staff costs (grade 10 and below) and restructure of staffing profile to facilitate multi-disciplinary roles.

Reductions in levels of service (to agreed service standards) to accommodate reductions in operational budget (eg PROW maintenance, countryside sites maintenance, community project support budget).

2017/18 – Implementation of service changes.

The service offer is based on budget decisions already taken as part of the County Council's Medium Term Financial Strategy 2014/15 to 2017/18. The previously agreed savings target has been reduced by £0.093m and there is no reduction in the service offer as a result of these proposals.

	2015/16	2016/17	2017/18	Total
Total	-	(£0.093m)	-	(£0.093m)

Service Offer	Design and Construction (ENV- SEO-2002)
Gross budget 2017/18 (The amount we propose to spend)	£8.503m
Income 2017/18 (The amount we	(£9.752m)

expect to receive)	
Net budget 2017/18 (The cost to the County Council)	(£1.249m)
What is the service offer?	
<p>Bridges & Highway Improvements</p> <ul style="list-style-type: none"> • Design services to facilitate the delivery of the highways capital programme • Design services to implement the outcome of the ongoing 'masterplanning' exercise • Design services to develop schemes funded from various external grant sources • Design services for 278 agreements for private developments within the county • Miscellaneous revenue activity of existing highways structures. <p>Bd&C</p> <ul style="list-style-type: none"> • Design consultancy services to deliver the county council's capital programme • Design consultancy services as traded service to schools through the PrOP scheme or individual Service Level Agreements, including the management of service contracts on their behalf. • Delivery of the county council's repair and maintenance programme, including the management of service contracts for the retained portfolio (LCC's own buildings) • Fulfilling our statutory obligations in respect of the management of asbestos • Fulfilling our statutory obligations in respect of the management of legionella • Fulfilling our statutory obligations in respect of safety at sports grounds <p>Rural Regeneration, Planning & Development Support</p> <ul style="list-style-type: none"> • Landscape design services to support county council highway capital programme and other county council capital programmes delivered via Bd&C • Development support to LCC and district council development control groups • Ecology advice to county council capital programme projects and LCC development control group. • Ecological consultancy services to third party organisations. 	
How will the service offer be provided? What will be different and why?	
<p>Bridges & Highway Improvements</p> <p>The bridges service will continue to operate as it currently does whilst the highway improvements service will be provided by an increased cohort of design staff under a similar management structure to that which exists now. The increased staff will be recruited to deal with a capital programme that is expected to remain relatively static and therefore have more capacity within the group to reduce the amount of work that is outsourced to our consultancy partner Jacobs. This will lead to an increased level of internal income recovery which in turn will lead to an increased level of surplus to support the council's revenue activity. This strategy is dependent upon a successful</p>	

recruitment strategy being implemented to ensure the additional staff are in place with the right skill sets to undertake the work that previously would have been carried out by Jacobs.

It is the increase in staff, and hence internal workload that will provide the additional income to support the overall Design and Construction efficiency target.

Building Design and Construction (Bd&C)

The service offer will be delivered by a more streamlined and more disciplinary specific management cohort. This will lead to a reduction in staff expenditure at management level, supporting the overall Design and Construction efficiency target. However a smaller management cohort may lead to; less resource to deal with complaints and ensuring they are dealt with in an adequate manner. As a result of the uncertainty over the capital programme beyond 2015/2016 it will be necessary to continue to operate with a significant cohort of temporary staff with the following issues;

- Risk of high turnover of staff
- Need to train new staff with regard to our operational procedures
- The rising cost of temporary staff potentially in excess of permanent staff salary levels potentially leading to claims from permanent staff to be paid commensurate with temporary staff.

The building surveying function brings together the current Bd&C staff and those currently within Corporate Property Group to provide a much more coherent service to our clients, the schools of Lancashire by ensuring the two elements of the building surveying team work better to support each other as opposed to potentially working against each other.

Currently the role of the 'Building School for the Future' authority representative is undertaken from within Bd&C. This role is involved in the management (financial and commercial) of our 25yr PFI contract across BSF secondary schools. The operational management of this contract is currently carried out within the procurement service and it is anticipated that the authority representative role will also move under procurement in the new organisation.

Rural Regeneration, Planning & Development Support

These services will be provided by an increased team to ensure a wider skill set of resource across all areas of this team and reduce the need to outsource work to our consultancy partner. There will be a more rigorous approach to ensuring fee agreements are in place before work is carried out, and that these fees are claimed at the appropriate times, particularly with regard to ad hoc ecological advice that may be given out. This stricter approach to how fees are recovered will support the overall Design and Construction efficiency target.

How does the service offer link with any other service offer(s)?

The service provides design and construction services to various other parts of the new organisation to enable other service offers to be delivered. It will place great emphasis on being responsive to the needs of all of its users to ensure that agreed

targets and outcomes are achieved and effective communication is maintained.

Outline annual transition plan which sets out the savings profile for 2015/16 , 2016/17 and 2017/18

It is anticipated that the reduction in the Bd&C and Lancashire Highway Service management cohorts will be delivered in 15/16, hence reducing the expenditure by £108,000 along with the increased staffing levels within highways and bridges which will increase the expenditure by £347,126, an increase that will deliver the increased income levels to meet the anticipated 2017/18 Design and Construction budget. These two issues combined will mean an overall staffing increase of 6 FTEs to meet the service offer target.

	2015/16	2016/17	2017/18	Total
Total	£0.108m	£0.220m	-	£0.328m

Service Offer	Planning (including Development Management, Planning & Transport Planning) (ENV- SEO-2016)
Gross budget 2017/18 (The amount we propose to spend)	£1.752m
Income 2017/18 (The amount we expect to receive)	(£0.413m)
Net budget 2017/18 (The cost to the County Council)	£1.339m

What is the service offer?

- Determination of planning applications for the County Council's own developments,
- Determination of planning applications for minerals and waste developments.
- Monitoring of minerals and waste sites against planning conditions.
- Investigation of breaches of planning control.
- Providing ecology and archaeology advice to the County Council
- Maintain the Historic Environment Record (this may transfer to the corporate research service offer).
- Prepare, monitor and review the Minerals and Waste Local Plan and Municipal Waste Management Strategy
- Targeted monitoring and commenting on the Plans and Strategies of Lancashire and Neighbouring Authorities
- Represent the County's Council's interests as infrastructure and service provider for the principal areas of transport
- Support joint working in preparing Lancashire's Local Transport Plan and the Annual Programme
- Devise and deliver transport solutions to improve Lancashire's transport system, alleviate current problems and support new development and growth
- Deliver environmental policy and advice to other service areas and externally in

<p>support of the County Council's interests and objectives</p> <ul style="list-style-type: none"> • Provide advice and ecological solutions for the protection and enhancement of Lancashire's natural heritage • Maintain up-to-date information to support development proposals and ensure outcomes compatible with biodiversity interests • Preparation of the Forest of Bowland AONB Management Plan
<p>How will the service offer be provided?</p> <ul style="list-style-type: none"> • Closer working between the development management team and planning team. • The transport planning team and planning/development management teams will be supported by a generic team of technical professionals. • Ecology and archaeology advice will be provided to the County Council only, and to schemes considered strategically important by the County Council.
<p>What will be different and why?</p> <p>Planning decisions will be slower compared to current rates of determination, but resources will be prioritised to ensure the County Council is not at risk of falling below national standards of performance.</p> <ul style="list-style-type: none"> • Greater officer delegation will be sought for applications under Regulation 3, applications having a small number of objections, and for applications where permission is not granted. This will make the best use of the staff resources available. • Some sites will operate outside of planning control longer than normal because of a reduced monitoring regime • Possible reduction in quality of applications from developers (including internal schemes). • District Councils will need to procure ecology and archaeology advice elsewhere. • Reduction in resources available to carry out technical work (transport modelling, sustainability appraisal, other planning and environmental assessments). • Reduction in third party income (Government grants, district payments, private sector information requests, planning performance agreements) • Capacity issues leading to a need for greater prioritisation in the number of schemes we can support.
<p>How does the service offer link with any other service offer(s)?</p> <p>The offer assumes the transfer of three specialist advisers into the Programme Office. The information parts of the service (eg, HERO, LERN) may transfer to the corporate research service.</p>

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

2015/16 – reductions in management costs in line with council transformation timetable.

Reduction in staff costs for development management.

Cessation of Ecology SLA with district councils.

Establish or renew SLAs with districts for land use planning and transport planning.

Implementation of charging scheme for pre-application advice for external planning applications.

2016/17 – reductions in staff costs (grade 10 and below) in line with council transformation timetable.

Restructure of staffing profile towards close joint working of development control and planning policy teams.

Reductions in levels of service (to agreed service standards) to accommodate reductions in operational budget.

2017/18 – Implementation of service changes.

	2015/16	2016/17	2017/18	Total
Total	£0.081m	£0.177m	-	£0.258m

Service Offer	Central Lancashire Master Plan Delivery (ENV- SEO-2005)
Gross budget 2017/18 (The amount we propose to spend)	£0.220m
Income 2017/18 (The amount we expect to receive)	(£0.546m)
Net budget 2017/18 (The cost to the County Council)	(£0.326m)

What is the service offer?

- Delivery of the County Council's transport programme published in the Central Lancashire Highways and Transport Masterplan over the next ten years.
- Delivery (via £350 million capital programme) of four major road schemes, public transport improvements and public realm enhancements delivered to support housing development and economic growth across Preston and South Ribble.
- New road space built, public transport prioritised along key corridors into Preston and between Leyland and Chorley, and public realm improvements in city, town and local centres.

How will the service offer be provided?

A dedicated, multi-disciplinary master plan delivery team has been established providing civil engineering, transport planning and environmental planning resources to deliver the programme of works.

What will be different and why?

No reductions proposed.

How does the service offer link with any other service offer(s)?

Delivery of the service offer does not depend on other service offers.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

No reductions are proposed. Five additional posts are to be added to the team in 14/15 and 15/16. The income calculation assumes the five posts, together with the existing 8 posts, will continue to charge their time against the capital programme.

	2015/16	2016/17	2017/18	Total
Total	£0.080m	-	-	£0.080m

Cultural Services

Service Offer	Libraries, Museums, Culture & Registrars (ASHW - SEO – 0014)
Gross budget 2017/18 (The amount we propose to spend)	£16.815m
Income 2017/18 (The amount we expect to receive)	(£5.130m)
Net budget 2017/18 (The cost to the County Council)	£11.685m

What is the service offer?

If this service offer is accepted it will not be necessary to close any Lancashire Libraries.

Face-to- face Offer

- Develop the network of 74 public libraries in most of the County's largest communities into the face-to-face channel for the public sector by extending the strategic centre concept to district councils (e.g. Delivering Differently in Lancaster etc.) and other public sector services (e.g. police etc.) and the voluntary sector (e.g. advice agencies.)
- Integrate different teams of staff co-located in the same building to offer a seamless service to customers and make those services available across the

full range of hours that each building is open.

Digital Information Offer

- Recognises that the development of digital services, skills and access will underpin so much of a 21st century library service in support of local communities. Central to this is helping people to use vital government online information and services.
- Improve access to information from library buildings using Pnets (Public network computers) or wi-fi in libraries.
- Support people to access information and services online in life-critical areas such as careers and job-seeking; health; personal financial information and benefits (e.g. Universal Credit etc.)
- Ensure that public library staff and volunteers are continually developing their skills.
- Provide 24/7 access to services such as e-books and other online resources.

Health Offer

- Develop a strategy to emphasise the public library contribution to the health and well-being of local communities.
- Provide a Books on Prescription service.
- Provide a network of local hubs offering non-clinical community space.
- Provide community outreach supporting vulnerable people; Expert staff with local knowledge; Public health promotion activity.

Reading and Learning Offer

- Build on public demand for a lively and engaging offer with reading groups, challenges, promotions and author events etc.
- Offer free books and reading resources with the aim of growing our e-book service.
- Support and assist people following formal or independent learning paths and those seeking information on opportunities.

Heritage Offer

- Preserve Lancashire's written and physical heritage.
- Interest, inform and educate people with displays and exhibitions.
- Attract visitors to museums and events across the county.
- Generate income by selling staff expertise and facilities to external organisations.

Culture Offer

- Support the creation and development of cultural organisations across the county.

Registration Offer

- Statutory registration of all births, re-registrations, still-births, deaths and marriages and the certification of all statutory register entries.
- Taking of all notices of intention to marry and the delivery of the ceremony programme.
- Approval of venues for marriages and the administration of the legal approval process.
- Issuing of certified copies from the repository and maintenance of the respositor.
- Conduct citizenship ceremonies for new citizens and deliver nationality

checking.

How will the service offer be provided?

- Physically through the network of community based libraries, museums, registrars offices and the record office
- In community settings by officers working directly with groups and organisations
- Virtually through an increasing presence on the internet with a growing number of digitised resources
- Innovate how services are designed and delivered by developing a range of options:
 - co-design, including planning of services
 - co-decision making in the allocation of resources
 - co-delivery of services, ranging from extending current volunteering opportunities through to community managed libraries
 - co-evaluation of the service

What will be different and why?

- A greater role local libraries in their communities - bringing creativity, excitement and diversity into the heart of every community with the overall aim to improve the quality of life of individuals and communities. We will do this by involving communities in the co-production and co-delivery of their local service
- A growing number of volunteers replacing paid staff roles
- If it is not possible to recruit and retain volunteers in adequate numbers then other alternative proposals would need to be considered.
- Fewer new books purchased for libraries as budget is reduced
- Fewer specialist staff as functions are merged e.g. broader spans of control for managers; Conservation Team from Museums and Preservation Team in Archives; the Collections Team in Libraries and the Collections Team in Museums etc.
- More delegation of responsibility to middle and first line managers with the reduction in the overall number of managers

How does the service offer link with any other service offer(s)?

As a community based service, existing links will be maintained and strengthened such as with Young Peoples Service, Public Health and Adult Learning. In addition, links will be made as part of developing libraries as strategic and neighbourhood centres.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

There will be a phased transition plan:

2015/16

- Initial reductions in staffing levels within libraries and archives.
- First of three reductions in libraries resources budgets
- Production of new staff structure for implementation in 2016/17

2016/17

- Integration of management and specialist teams across libraries, heritage , culture and registrars (largest staff reductions in this year)
- Second of three reductions in libraries resources budgets
- First of two reductions in arts budget
- First year of greater community involvement in service delivery

2017/18

- Significant increase in community involvement in service delivery with further reductions in staff numbers
- Second reduction on arts budget
- Final reduction in libraries resources budgets

	2015/16	2016/17	2017/18	Total
Total	£0.920	£2.529m	£1.184m	£5.263m

Economic Development and Skills

Service Offer	Adult Learning (ASHW - SEO – 0013)
Gross budget 2017/18 (The amount we propose to spend)	£10.425m
Income 2017/18 (The amount we expect to receive)	(£13.182m)
Net budget 2017/18 (The cost to the County Council)	(£2.757m)

What is the service offer?

Within the new financial envelope for 2017-18, Lancashire Adult Learning will aim to provide the following:

Skills Funding Agency funded activity – Adult Skills:

- Accredited Learning, comprising:
 - Work-based diplomas
 - Apprenticeships
 - Traineeships
 - Teacher training
 - Access to Higher Education
 - English, Maths and Languages (for speakers of other languages)

- Employability provision for job seekers
- Provision for learners with learning disabilities
- Other accredited learning, including British Sign Language and Counselling Skills

Skills Funding Agency funded activity – Community Learning:

- Mainly non-accredited provision, within the following curriculum areas:
 - Visual and performing arts, Languages, ICT, Health and Well-being, General Studies
- Strand One: Public programme:
 - Advertised programme of learning drawn from the above curriculum areas, delivered in venues throughout Lancashire.
 - Fee-earning provision
- Strand Two: Targeted programme:
 - Delivered in partnership with community organisations, schools, other local authority services and agencies, and targeted at specific groups and geographical areas where needs are greatest. Comprises:
 - Family learning
 - Personal and Social Development
 - Community Development

Full cost recovered activity (not funded through Skills Funding Agency; not subsidised):

- Residential and non-residential programme
- Income generating
- Non accredited programme of learning related activity, including:
 - Weekend, full day and half day courses drawn from the curriculum areas identified above
 - Concerts and exhibitions
 - Recreational activities taking advantage of accommodation and location

How will the service offer be provided?

The service offer will be provided in the same way as it is currently but with a lower level of staffing. If any of these reductions impact upon teaching staff this will mean that we are unable to deliver the contract value allocated by the Skills Funding Agency. This would result in clawback of unspent monies in year and a reduction in funding the following year.

Provision at Alston Hall is not dependent upon Skills Funding Agency subsidy (full cost recovered). If the area fails to generate a significantly increased level of income within two years, the service would expect to discontinue provision. Optionally, the service could discontinue the provision in order to reduce expenditure, although this will have a net nil impact on budget. If the level of activity remains unchanged, the closure of Alston Hall would result in a net saving of £136,000. The intention is that this would offset anticipated reductions in SFA funding.

However, if the level of activity is increased, as planned, that saving would turn into a potential loss of income, if Alston Hall is closed.

The Skills Funding Agency, rather than the adult learning service determine what can

and cannot be funded, and use their funding methodology to weight the funding towards government priorities. Each year, some new areas of learning are funded, and some are removed from funding, for example, 16-18 year old apprenticeships and traineeships are currently better funded than other provision. We cannot predict at this stage what these will be, although it is unlikely that the priorities will change radically over the next few years.

Where changes in priority do take place, this will be because of changing national priorities, not because we aim to economise on the use of funding from the Skills Funding Agency. This is a contractual requirement of the work we do with the agency, who require auditable evidence annually that 100% of the funding they provide has been used for the learning delivered.

Access to Higher Education is currently under-recruiting students and if this does not improve in 2014-15, it may be appropriate to withdraw that learning. However, the purpose would be to replace it with other provision to meet contract value, not to reduce the overall value of the learning programme, which we are not able to do, without losing funding. In addition, recruitment onto teacher education programmes is uncertain, and may be subject to review over the coming two years.

Provision at Alston Hall is not dependent upon Skills Funding Agency subsidy. If the area fails to generate a significantly increased level of income within two years, the service would expect to discontinue provision. Optionally, the service could discontinue the provision in order to reduce expenditure, although this will have a net nil impact on budget.

What will be different and why?

In order to maintain the value of Skills Funding Agency monies received, there can be no reduction in teaching and learning activity. Changes, where they take place, will be in the selection of areas of delivery in favour of those which are more efficient, generate higher learner numbers and are less resource intensive – see above possible changes to Access to HE and Teacher Education. However, it must be borne in mind that Providers of learning are subject to the requirements of central government and SFA in determining the curriculum balance

Alston Hall will continue to offer full cost recovery programmes, with the potential to increase income. If staff levels are reduced, as in the proposal outlined in this document, it would lead to a reduction in income and increase the possibility of closure

How does the service offer link with any other service offer(s)?

Health and Well Being

Digital Inclusion

Working with families

Libraries, museums and heritage

Community development (community asset management / third sector)

LEP (skills training and qualifications, especially apprenticeships, traineeships)

LAL is already working closely with LCC services involved in all of the above

Adult learning will cease to exist if it is unable to maintain the allocation from the Skills Funding Agency. Any reduction in provision not only cuts that allocation but also removes the opportunity to charge course fees. LAL must therefore maintain volume of provision of higher value courses to achieve contract value. The Fee Policy approved earlier this year represents the balance between charging a fee which realises the income needed, and not "pricing ourselves out of the market"

Full cost recovery courses at Alston Hall do have the potential for growth and development, with a real possibility of increased income.

Service Offer	European Social Fund Skills & Development (CYP-SEO-4020)
Gross budget 2017/18 (The amount we propose to spend)	£6.708m
Income 2017/18 (The amount we expect to receive)	(£6.708m)
Net budget 2017/18 (The cost to the County Council)	£0m
<p>What is the service offer?</p> <p>Two European social fund projects:</p> <ul style="list-style-type: none"> • The first project aims to reduce the numbers of young people who are NEET. • The second project aims to improve the skills of employed adults aged 25 or over. 	
<p>How will the service offer be provided?</p> <p>These projects are contracted out through a network of learning providers mainly FE colleges and private training providers. LCC manages the performance of the network and the relationship with the funding body the Skills Funding Agency.</p>	

What will be different and why?

Both of the projects will end in March 2016. We will however, seek to continue this service by bidding for funds in the 2014-2022 ESF programme.

How does the service offer link with any other service offer(s)?

We will seek to continue this service by bidding for funds in the 2014-2022 ESF programme.

Service Offer	Economic Development (OCE-SEO-5005)
Gross budget 2017/18 (The amount we propose to spend)	£2.842m
Income 2017/18 (The amount we expect to receive)	(£0.023m)
Net budget 2017/18 (The cost to the County Council)	£2.818m

What is the service offer?

This service offer provides the strategic capacity and support to help shape, lead and secure the County Council's economic development and housing growth objectives, including strategic skills/transport infrastructure priorities.

The service offer also provides the partnership engagement, programme and project management capacity, as well as case-making and external funding expertise, needed to support the development and delivery of the County Council's growth priorities.

The economic development service offer also provides the leadership and core capacity to support the development and delivery of the priorities of the Lancashire Enterprise Partnership (LEP), which is a wholly owned company of the County Council. Key LEP projects include the Growing Places Investment Fund, Lancashire Enterprise Zone, City Deal, Growth Deal and European Structural & Investments Funds Programme.

Local Enterprise Partnerships are increasingly recognised as the primary partnership vehicles to deliver devolved national and European growth programmes.

The service offer is also responsible for utilising the commercial and external funding, managing and delivering the objectives and priorities of Lancashire County Developments Ltd (LCDL), the County Council's economic delivery vehicle, consistent with LEP frameworks.

How will the service offer be provided?

The service offer will continue to be provided by the core economic development service which already links with other relevant County Council service offers, as well as a range of public and private sector partners to secure the objectives of the County Council.

Going forward, the service offer will continue to develop new and innovative ways of delivering the County Council's economic development objectives with external partners, and by maximising devolved funding opportunities such as future Growth Deals and ESIF investment frameworks.

What will be different and why?

The economic development service offer has been fundamentally redesigned in recent years. The service is now successfully focused on developing and progressing key priorities using a range of innovative approaches.

The challenge for economic development and linked service offers is to ensure the delivery of economic development, skills and strategic transport programmes and projects of national significance.

With limited mainstream revenue opportunities, there will be a need to leverage the full benefit of the County Council's capital programme and land assets to deliver agreed growth priorities.

However, there will also be opportunities to further streamline operational arrangements, in relation to the way County Council delivers its service offers, and especially in relation to the wider learning/skills offer.

There will also be opportunities for the pooling of local authority resources across Lancashire to achieve shared economic objectives, though this will be dependent on local authorities developing more collaborative and binding arrangements.

Given the scale and complexity of the continued case-making and scheme delivery, there will also be a need to ensure relevant legal and financial support is aligned to this effort. The new structure aims to provide dedicated capacity in this regard.

How does the service offer link with any other service offer(s)?

Given the scope of economic development, and in order to deliver agreed priorities, there is a need to co-ordinate the inputs of other service offers, including strategic transport, planning, property services, adult learning and specialist legal and financial support functions.

References to others service offers have already been highlighted.

Outline annual transition plan which sets out the savings profile for 2015/16, 2016/17 and 2017/18

The proposed budget framework for the economic development service offer, once the income factors outlined above are addressed, will be managed by further changes in

staffing inputs.

The economic development service has no significant third party costs to manage except costs of managing and developing the LCDL company assets and use of the New Homes Bonus.

	2015/16	2016/17	2017/18	Total
Total	£0.443m	-	-	£0.443m



Mr Mark Cullinan
Chief Executive
Lancaster City Council
Town Hall
Dalton Square
LANCASTER
LA1 1PJ

Please ask for: Jackie Harney
Telephone: 01772 866908
Email: jackieharney@lancsfireandrescue.org.uk
Your Ref:
Our Ref: Democratic Services
Date: 15 December 2014

Dear Mr Cullinan

LANCASHIRE COMBINED FIRE AUTHORITY BUDGET CONSULTATION

At a Meeting of the Lancashire Combined Fire Authority held on the 15th December 2014, the Authority gave initial consideration to a report on the Capital Budget 2015/16-2019/20 and the Revenue Budget 2015/16-2018/19. Copies of the reports considered by the Authority are enclosed. The Authority having given consideration to its Budget has resolved as follows:

- i) Given initial consideration to the draft capital and revenue budgets as presented.
- ii) Approved consultation with representatives of non-domestic ratepayers and Trade Unions on the budget proposals.
- iii) To give further consideration to the capital and revenue budgets at their next meeting on 16th February 2015, in light of the consultation process.

In this regard it would be helpful if you could let me have any comments you wish to make on the Lancashire Combined Fire Authority budget proposals by no later than 31st January 2015. This will enable your views to be tabled for consideration by the Lancashire Combined Fire Authority at its budget setting meeting on 16th February 2015.

Yours sincerely

MAX WINTERBOTTOM
CLERK TO THE AUTHORITY
Encs

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 15 December 2014

CAPITAL BUDGET 2015/16-2019/20

Contact for further information:

Keith Mattinson - Director of Corporate Services Tel No: 01772 866804

Executive Summary

The report sets out the draft capital programme for 2015/16-2019/20.

The draft programme allows for items included within various asset management plans, and identifies the level and source of capital funding available in order to meet these requirements.

Given the programme is broadly balanced, showing a shortfall of £0.1m in 2019/20, the draft programme as presented is considered affordable, sustainable and prudent.

A final capital programme will be presented to the Authority in February, for formal approval.

Recommendation

The Authority is requested to: -

- (i) Give initial consideration to the draft capital budget as presented;
- (ii) Authorise consultation with representatives of non-domestic ratepayers and Trade Unions on the budget proposals;
- (iii) Give further consideration to the capital budget at their next meeting on 16 February 2015, in light of the consultation process.

Capital Budget Strategy

The Authority's capital strategy is designed to ensure that the Authority's capital investment:

- assists in delivering the corporate objectives;
- supports priorities identified in asset management plans;
- ensures statutory requirements are met, i.e. Health and Safety issues;
- supports the Medium Term Financial Strategy by ensuring all capital investment decisions consider the future impact on revenue budgets;
- represents value for money.

Capital Requirements

Capital expenditure is expenditure on major assets such as new buildings, significant building modifications and major pieces of equipment/vehicles.

The Service has developed asset management plans which assist in identifying the long-term capital requirements. These plans, together with the operational equipment register have been used to assist in identifying total requirements and the relevant priorities.

A summary of all capital requirements is set out in the table below.

	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
	£m	£m	£m	£m	£m	£m
Vehicles	2.243	1.598	1.773	1.808	2.815	10.237
Operational Equipment	-	-	-	-	1.250	2.250
Buildings	4.000	-	3.250	-	-	7.000
IT Equipment	0.190	1.160	1.000	0.510	0.088	2.948
Total	6.433	2.758	6.023	2.318	4.153	21.685

Vehicles

The Fleet Asset Management plan has been used as a basis to identify the following vehicle replacement programme, which is based on current approved lives:-

Type of Vehicle	No of Vehicles				
	2015/16	2016/17	2017/18	2018/19	2019/20
Pumping Appliance	5	6	6	6	6
Mobile Fire Stations (MFS)	-	-	1	1	-
Aerial Ladder Platform (ALP)	2	-	-	-	2
Driver Training	-	2	-	-	-
Pod	-	1	1	-	1
Operational Support Vehicles	11	10	12	14	13
	18	19	20	21	22

The replacement programme has been adjusted to remove peaks in the number of vehicle replacements in any one year. This 'smoothing' inevitably results in some vehicles being replaced marginally ahead of or behind schedule, but provides a better basis for longer term replacement strategies. As a result of this 4 pumping appliances which are due replacement in the period of the programme will be delayed by 1 year. Had this not been the case the replacement programme would cost a further £0.8m.

Driver Training vehicles are scheduled for replacement on a like for like basis, however it is possible that we would replace with a different sort of vehicle, or look at the assigned asset life.

The MFS replacements reflect the replacement of 2 vehicles at the end of their current asset life, however requirements for these appliances will be reviewed prior to replacement commencing, with the potential to replace with a different sort of vehicle according to requirements.

In addition, Fleet Services continue to review future requirements for the replacement of all vehicles in the plan, hence there may be some scope to modify requirements as these reviews are completed, and future replacement programmes will be adjusted accordingly. It is anticipated that one of these reviews will look at current asset lives, which could potentially reduce future capital expenditure if assets are held for a longer period.

Operational Equipment

The budget allows for the replacement of the Breathing Apparatus (BA) and Telemetry equipment in 2019/20 at the end of their asset lives, at an estimated cost of £0.8m.

The budget also allows for the replacement of the current cutting and extrication equipment at the end of its useful life in 2019/20, at an estimated cost of £0.45m.

Buildings

The budget allows for the following projects:-

Conversion/development of DCP facilities at Skelmersdale Fire Station following the outcome of the current Emergency Cover Review (ECR), at an estimated cost of £0.6m.

Replacement of Lancaster Fire Station following the ECR, to introduce an RDS pump in order to maintain fire cover and also share premises with NWS, at an estimated cost of £3.4m.

The current level of backlog maintenance identified in the most recent Stock Condition Survey had reduced significantly, reflecting the investments the Authority has made in its building stock. Following completion of works budgeted during 2014/15, the Authority will only have Preston fire station classed as in poor condition, hence £3.3m being included in 2017/18 for potential replacement, subject to Authority approval.

	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
1 x DCP accommodation identified by ECR	0.600	-	-	-	-
Replacement of Lancaster fire station to include RDS unit	3.400				
Preston fire station	-	-	3.250	-	-
	4.000	-	3.250	-	-

ICT

The sums identified for the replacement of various ICT systems are in line with the software replacement lifecycle schedule incorporated into the ICT Asset Management Plan.

All other replacements identified in the programme will be subject to review prior to replacement, with both the requirement for the potential upgrade/replacement and the cost of such being revisited prior to any expenditure being incurred.

Of particular note are the anticipated replacements for assets which were provided by CLG for the North West Fire Control project. These replacements are subject to less certainty regarding the timing of the potential need, and the associated replacement costs, and therefore will be revised in forthcoming budget revisions as the situation becomes clearer.

	2015/16	2016/17	2017/18	2018/19	2019/20
Replace Existing Systems	£m	£m	£m	£m	£m
Community Fire Risk Management Information System (CFRMIS) replacement system	0.080				
Training database	0.060				
Incident Recording System (IRS)	0.050				
Performance Management		0.100			
Incident Command system		0.060			
Geographic Information System (GIS) Risk Information			0.100		

Finance system			0.250		
Vehicle specification crash recovery software			0.020		
Pooled PPE system				0.080	
Rota system (Retained Duty System)				0.050	
Wide Area Network (WAN)				0.380	
Rota system (Wholetime Duty System and officer cover)					0.050
Hydrant Management system					0.020
E-Learning training system					0.018
	0.190	0.160	0.370	0.510	0.088
North West Fire Control assets/systems					
Wide Area Radio network (Airwave) replacement (estimated)		1.000			
Vehicle Mounted Data Systems (VMDS)			0.230		
Station end mobilising system			0.400		
	-	-	0.630	-	-
Total ICT Programme	0.190	1.160	1.000	0.510	0.088

Capital Funding

Capital expenditure can be funded from the following sources:

Prudential Borrowing

The Prudential Code gives the Authority increased flexibility over its level of capital investment and much greater freedom to borrow, should this be necessary, to finance planned expenditure. In determining the level of borrowing, the Authority must prepare and take account of a number of prudential indicators aimed at demonstrating that the level and method of financing capital expenditure is affordable, prudent and sustainable. However, the Government has maintained reserve powers to limit any such borrowing if it believes the proposals to be unaffordable or in terms of national public spending constraint.

Historically this has resulted in Central Government continuing to support the revenue costs of borrowing, on the basis of a specified amount of capital expenditure, known as Supported Capital Expenditure (Revenue). With any borrowing in excess of this limit, i.e. unsupported borrowing, incurring additional revenue charges for which no additional funding will be provided will impact on the Authority's revenue budget/council tax.

The Government announced in the Spending Review 2010 that no further Supported Capital Expenditure (Revenue) would be allocated to the Fire Service, meaning that all borrowing would be 'unsupported' with the full costs having to be met by council tax payers.

Capital Grant

Capital grants are received from other bodies, typically the Government, in order to facilitate the purchase/replacement of capital items.

The Government allocated a sum of £75m of capital grant to Fire Authorities for 2015/16, allocated based on a bidding process. As part of this process the Authority submitted 2 bids:

DCP x 1	£0.6m
Co-location of Lancaster Fire station with NWAS	£2.4m

The Authority was successful in its bids, receiving a total allocation of £3m for 2015/16. No allowance has been built in for future years pending the outcome of any future Spending Reviews.

Capital Receipts

Capital receipts are generated from the sale of surplus land and buildings, with any monies generated being utilised to fund additional capital expenditure either in-year or carried forward to fund the programme in future years.

The Authority currently holds £1.2m of capital receipts. In addition to this, we are anticipating capital receipts of £1.3m from the sale of surplus sites at Chorley (following the outcome of the ECR) and at Lancaster (subject to the relocation of Lancaster Fire Station).

Note: at the end of the five year programme capital receipts will have been fully utilised.

Capital Reserves

Capital Reserves have been created from underspends on the revenue budget in order to provide additional funding to support the capital programme in future years. Following completion of the 2014/15 capital programme, the Authority expects to hold £8.1m of capital reserves. Over the life of the programme this will be fully utilised.

Contributions from Revenue Resources

Any revenue surpluses may be transferred to a Capital Reserve in order to fund additional capital expenditure either in-year or carried forward to fund the programme in future years.

The current revenue budget includes an allowance of £1.5m as a contribution towards the capital programme. It is proposed to increase this as a one off measure in 2015/16 by £0.5m, in order to balance the majority of the demands identified in the capital programme. With the contribution being reduced back down to £1.5m in 2016/17, and maintained at this level throughout the remainder of the capital programme, subject to affordability and in particular the outcome of future funding settlements.

Total Capital Funding

The following table details available capital funding over the five year period:

	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Grant	3.010	-	-	-	-	3.010
Capital Receipts	1.187	0.300	1.000	-	-	2.487
Capital Reserves	0.236	0.958	3.523	0.818	2.541	8.076
Revenue Contributions	2.000	1.500	1.500	1.500	1.500	8.000
	6.433	2.758	6.023	2.318	4.041	21.573

Summary Programme

Therefore the summary of the programme, in terms of requirements and available funding, is set out below:

	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Requirements	6.433	2.758	6.023	2.318	4.153	21.685
Capital Funding	6.433	2.758	6.023	2.318	4.041	21.573
Surplus/(Shortfall)	-	-	-	-	(0.112)	(0.112)

Over the next five years of the capital programme there is a shortfall of £0.112m occurring in the fifth year, however it should be noted that the funding assumptions could change as follows:-

- Both the Breathing Apparatus and cutting equipment replacements scheduled for 2019/20 are at estimated costs, and would be subject to proper costings nearer the time;
- ICT software replacements are based largely on the ICT asset management plan, and are subject to review prior to replacement, which has led in the past to slippage;
- Based on current projections, there is likely to be revenue underspend in 2014/15, which could be transferred into capital reserves as part of the year end process to balance the programme should this be required.

Given the options identified above it is clear that the shortfall can be offset in the medium term and hence the programme can be considered prudent, sustainable and affordable. The main thrust of the capital programme remains one of targeting building work in line with stock condition surveys and the outcome of the Emergency Cover Review, to facilitate the delivery of savings.

It must be recognised that future funding levels, both in terms of revenue and capital, may impact upon the achievability of the programme as identified, and as such should any of the funding assumptions or expenditure items within the programme change, this will have an impact on the overall affordability of the programme.

Impact on the Revenue budget

It is worth noting that the capital programme and its funding impacts on the on-going revenue budget, in terms of the cost of borrowing and specific funding set aside in the revenue budget in order to balance the capital programme.

The Authority has set aside funds to repay all outstanding PWLB debt at the end of 2018/19, which reduces the capital financing costs charged to the revenue budget, delivering a saving of £0.7m in the revenue budget.

The draft programme as set utilises all capital reserves and receipts meaning that any funding gap needs to be made up from additional revenue contributions. As such the draft revenue budget includes a transfer of £8.0m over the next 5 years, in order to balance overall capital funding requirements, which is broadly consistent with the on-going vehicles replacement programme. This will come under increasing pressures in future years as any reduction in this will reduce the overall revenue funding gap and hence the need to make savings, however clearly the removal of this will impact upon the long term capital programme.

Prudential Indicators

The Authority is required to calculate various prudential indicators to demonstrate that the proposed capital programme is affordable, prudent and sustainable. These have not yet been calculated, but will be included in the Authority report in February.

Financial Implications

The financial implications are set out on the report.

Human Resources Implications

None.

Equality and Diversity Implications

The capital programme in respect of replacement/refurbishment of existing property will include some element of adaptations to ensure compliance with the Disability Discrimination Act.

Environmental Impact

The environmental impact of decisions relating to the capital programme will be considered as part of the project planning process, and where possible we will look to minimise the environmental impact of this where it is considered practical and cost effective to do so.

Business Risk Implications

The capital programme is designed to ensure that the Service has the appropriate assets in order to deliver its services; as such it forms a key element in controlling the risk to which the Authority is exposed.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
None		
Reason for inclusion in Part II, if appropriate:		

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 15 December 2014

REVENUE BUDGET 2015/16-2018/19

Contact for further information:

Keith Mattinson - Director of Corporate Services Telephone Number 01772 866804

Executive Summary

The report sets out the draft revenue budget for 2015/16-2018/19 and the resultant council tax implications.

Funding levels are based on the latest estimates contained in the recent consultation document on the Local Government Finance Settlement.

In terms of council tax, the report identifies the impact of a council tax freeze and the impact of the assumed council tax referendum levels, 2%.

We are able to set a balanced budget in 2015/16 based on either a council tax increase of 2% or a council tax freeze, whilst drawing down up to £0.2m to reserves.

2016/17 is more challenging but again we anticipate being able to set a balanced budget by identifying £1.0m of additional savings and by utilising up to £1.0m of reserves, which is considered deliverable.

The real financial pressures come in future years, when, based on anticipated funding cuts of 7% per annum, we will be faced with a funding gap of up to £6.8m. Whilst we can offset some of this with further savings, up to £3.0m, this would still require us to utilise up to £7.7m of reserves over the 4 year period, and this would take us below our current target reserve level. It is clear that the financial picture will continue to become ever more challenging and that the Authority will need to continue to plan to address this.

All figures are estimates at the moment as final funding will not be known until the final Local Government Finance Settlement announcement, anticipated at the end of January and until all billing authorities have provided final tax base figures.

A final revenue budget will be presented to the Authority in February, for formal approval.

Recommendations

The Authority is requested to: -

- (i) Give initial consideration to the draft revenue budget as presented;
- (ii) Authorise consultation with representatives of non-domestic ratepayers and Trade Unions on the budget proposals;
- (iii) Give further consideration to the revenue budget at their next meeting on 16 February 2015, in light of the consultation process.

Information

In line with the Authority's objective to deliver affordable, value for money services the Authority's Budget Strategy remains one of:-

- Maintaining future council tax increases at reasonable levels, reducing if possible;
- Continuing to deliver efficiencies in line with targets;
- Continuing to invest in improvements in service delivery;
- Continuing to invest in improving facilities;
- Setting a robust budget;
- Maintaining an adequate level of reserves.

Draft Budget

In order to determine the future budget requirement, the Authority has used the approved 2014/15 budget as a starting point, and has uplifted this for inflation and other known changes and pressures to arrive at a draft budgetary requirement, prior to utilising any reserves, as set out below:-

	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m
Preceding Years Draft Budget Requirement	58.3	55.9	56.0	57.2
Removal of drawdown from reserves in previous years	0.1	-	-	-
Inflation	0.8	1.4	1.4	1.4
Other Pay Pressures	0.9	0.5	0.1	(0.1)
Committed Variations	(0.7)	(0.2)	0.1	-
Efficiency Savings	(3.3)	(1.7)	(0.2)	(0.2)
Additional staff costs	(0.2)	0.1	(0.2)	-
Budget Requirement	55.9	56.0	57.2	58.3

Removal of 2014/15 drawdown from reserves

Included within 2014/15 was the drawdown of £0.1m of reserves in order to freeze council tax. This was a one-off measure to balance the position and as such needs to be added back into the start position to provide a true reflection of budgeted costs in 2014/15.

Inflation

The following amounts have been added to the budget in respect of inflationary pressures, in line with current estimates:-

	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m
A 1% grey book pay award in 2015/16 and 2.5% pay award for grey and green book thereafter	0.4	1.0	1.0	1.1
Non-pay inflation of 2.5% each year	0.4	0.4	0.4	0.3
	0.8	1.4	1.4	1.4

Note – a 1% change in the pay award equates to £0.3m per annum.

Other Pay Pressure

	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m
Pay recosting, including the following:- <ul style="list-style-type: none"> • timing of public holidays; • mix of personnel in development and competent rates of pay; • mix of staff in pension schemes. 	0.1	(0.3)	0.1	(0.1)
The Government Actuary Dept. has previously published a tri-annual valuation of the Fire-Fighters Pension Scheme which showed a requirement to increase contribution rates by 3.1%. There has been, and remains, a great deal of uncertainty as to how this increase would be implemented, with the latest indicator being that the full increase will be implemented with effect from 1 April 2015 and hence the budget needs to be adjusted to reflect this.	0.8	-	-	-
As a result of the Government amending the state pension and abolishing the NIC rebate in respect of contracted-out pension services the Authority will incur additional employer contributions.	-	0.8	-	-
	0.9	0.5	0.1	(0.1)

Committed Variations

Committed variations are those items which are unavoidable, or which arise from previously agreed policy decisions.

	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m
Capital Financing charges have been amended to reflect the latest forecast, taking account of the anticipated level of debt required to fund the draft capital programme over the next three years, forecast interest rates, and the anticipated Minimum Revenue Provision. Last year the Authority agreed an additional MRP in order to provide sufficient funding to pay off debt in future years, the reduction in budget requirement in 2015/16 reflects the removal of this one off measure.	(1.4)	0.1	0.1	-
In order to balance the draft capital programme the Revenue Contribution to Capital Outlay has been increased as a one-off measure in 2015/16 (the reduction in 2016/17 reflects the additional monies being taken back out of the budget).	0.5	(0.5)	-	-
Whilst we currently receive New Burdens funding in respect of the increased costs associated with the national Fire Link project, this is only guaranteed for the period of the current Spending Review. As such the budget allows for the potential removal of this.	-	0.2	-	-
Anticipated reduction in New Dimension funding in respect of the USAR team, reflecting the outcome of national negotiations.	0.2	-	-	-
	(0.7)	(0.2)	0.1	-

Efficiency Savings

The Authority has a good track record of delivering efficiency savings. Despite already identifying £5.5 of savings since 1 April 2011, the Authority set a revised target of a further £10m of savings to be delivered from 1 April 2013. By the end of 2014/15 the Authority will have delivered £5.2m of this target, leaving a balance of £4.8m. Over the next 4 years we will exceed this target:-

	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m
Anticipated savings arising from the Emergency Cover Review, reported elsewhere on this agenda	(1.6)	(1.3)	-	-
Reduction in staff identified in the review of administrative functions	(0.4)	-	-	-
Savings identified from reviewing non-pay budgets	(0.7)	(0.3)	(0.1)	-
Reduction in capital financing charges arising from the additional MRP payments in order to offset debt	(0.6)	(0.1)	(0.1)	
Reduction in restructuring costs, reflecting the level of earmarked reserves currently set aside	-	-	-	(0.2)
	(3.3)	(1.7)	(0.2)	(0.2)

Based on the above by the end of 2018/19 we anticipate having delivered in excess of £15m of savings since the 2010 Spending Review, the equivalent of 25% of our total budget.

Additional Staff Costs

The gross budget assumes that all reductions in establishment are matched by reductions in staffing numbers. This is not the case due to reliance on natural wastage and hence the gross budget is adjusted to take account of the retirement profile within the service, reflecting the additional staffing costs incurred each year (Note the retirement profile is based on staff only leaving once they accrue full pension benefits, and does not include any allowance for those who resign, are dismissed or retire early):-

	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m
Removal of preceding years additional staff cost	(0.3)	(0.1)	(0.2)	-
Anticipated in year additional staff costs	0.1	0.2	-	-
Net change to additional staff costs	(0.2)	0.1	(0.2)	-

Net Budget Requirement

As set out above the overall net budget requirement for each year is as follows:-

	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m
Draft Budget Requirement	55.9	56.0	57.2	58.3
Budget (Decrease)/Increase	(4.1%)	0.2%	2.1%	1.9%

Grant Funding

As a major precepting authority the Authority receives funding in the form of:-

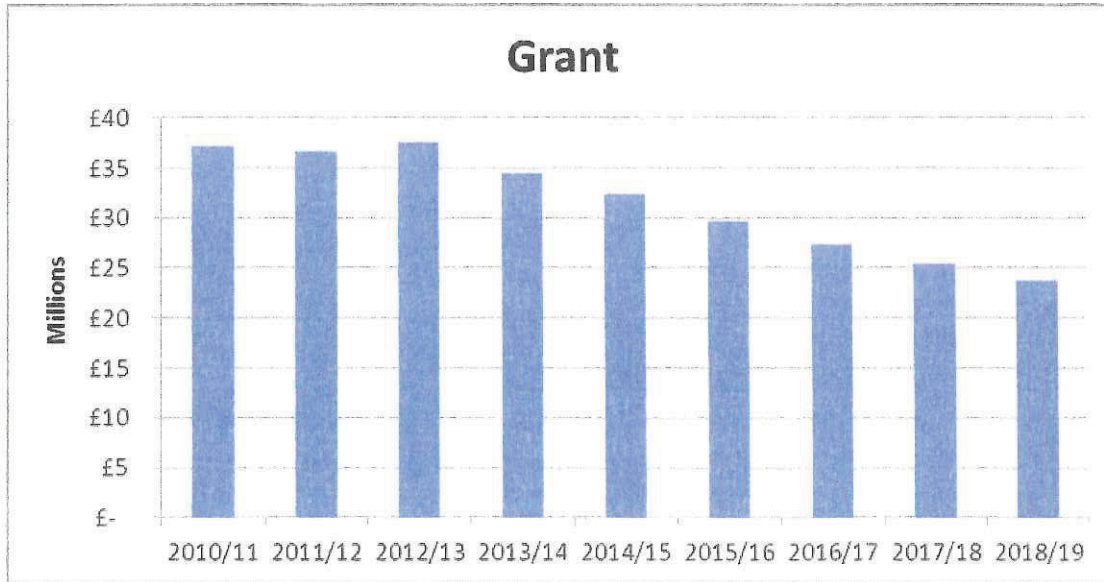
2014/15	
Settlement Funding Assessment (Grant)	
Revenue Support Grant, direct from the Government	£18.0m
Individual Authority Business Rates Baseline	£4.6m
Business Rates Top-Up, from the Government	£9.4m
Section 31 Grant - Business Rates Capping	£0.2m
Council Tax Freeze Grant, from the government	£0.3m
	£32.5m
Council Tax	
Council Tax	£25.6m
Council Tax collection fund surplus	£0.2m
	£25.8m
Total Funding	£58.3m

Since 2010 grant funding has fallen and this trend is set to continue. Whilst neither the draft local Government Finance Settlement nor the Autumn Statement were available at the time of writing the report, the technical consultation undertaken by the Government in the summer provides a very strong indicator as to the likely settlement. Based on the Government forecast of business rates and after allowing for the transfer of council tax freeze grant into baseline funding the draft figures shows a £2.7m (8.4%) grant reduction, down to £29.8m. (The forecast Business Rates figure, including anticipated cost of appeals and collection funds surplus/deficits, will be updated once billing authorities have provided final figures.)

Looking beyond 2015/16 there remains a great deal of uncertainty surrounding funding. At the time of the Budget 2014 the Office for Budget Responsibility forecasts highlighted a 19.8% cut to department spending between 2010/11 and 2018/19, and confirmed that by the end of 2014/15 they expected that just 8.9% of this reduction would have been delivered, meaning that 11.9% was still to come. They went on to say that if the policy of protecting some departments such as NHS, schools and overseas aid, was maintained cuts to 'unprotected' departments could be 35.6% by 2018/19. This makes it clear that the current austerity measures will continue in the next Spending Review period, with the latest indications showing funding cuts of 8% in 2016/17 and 7% per annum in the following years.

Based on these projections our estimated total grant funding position (exc council tax) shows a reduction of £13.6m (36%, in line with the Office for Budget Responsibilities assumptions) between 2010/11 and 2018/19 (note: grant has been notionally adjusted to allow for the changes to grant associated with the localisation of council tax support scheme, an increase of £4.7m grant offsetting the reduction in council tax):-

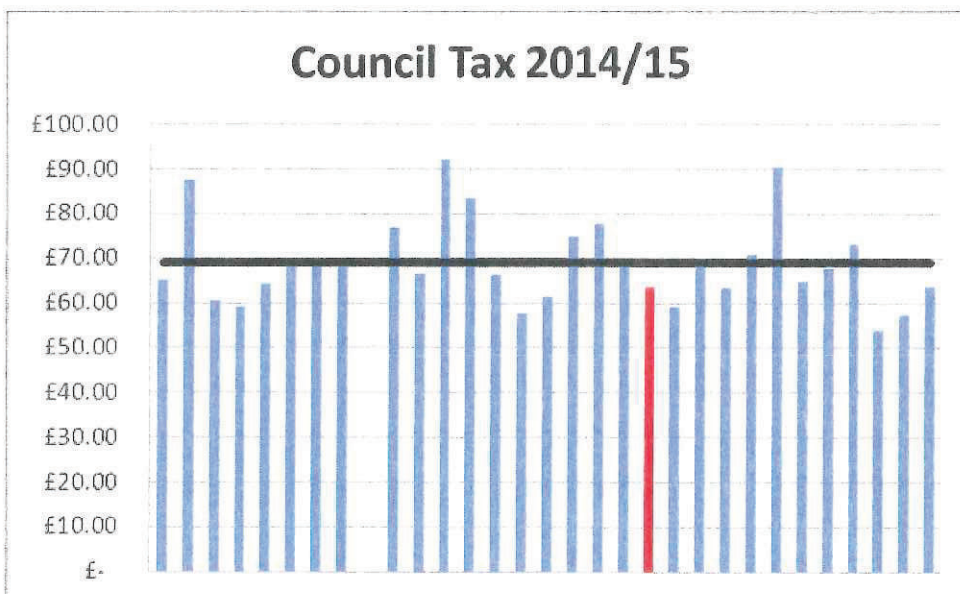
	Govt. Grant, inc council tax freeze grant	In Year Reduction	Cumulative Reduction	Cumulative Reduction
2010/11	£37.3m			
2011/12	£36.7m	£0.6m	£0.6m	
2012/13	£37.7m	(£1.0m)	(£0.4m)	
2013/14	£34.6m	£3.1m	£2.7m	
2014/15	£32.5m	£2.1m	£4.8m	
2015/16	£29.8m	£2.7m	£7.5m	
2016/17	£27.4m	£2.4m	£9.9m	
2017/18	£25.5m	£1.9m	£11.8m	
2018/19	£23.8m	£1.8m	£13.6m	36%



Council Tax

In setting the council tax, the Authority aims to balance the public’s requirement for our services with the cost of providing this. As such the underlying principle of any increase in council tax is that this must be seen as reasonable within the context of service provision.

The Authority became a precepting authority on 1 April 2004. Since this our council tax increases have been limited by either capping or the current referendum thresholds set by the Government. As such our council tax increases and hence budget increases have been constrained by these and our desire to deliver value for money services, culminating in a council tax freeze at £63.65 applying in the last four years. Lancashire Fire Authority is one of only 7 Fire Authorities who have frozen council tax in each of these years, resulting in our council tax now being the 8th lowest of all Fire Authorities, compared with a national average of £68.96:



The Government has indicated its intention to continue to minimise the impact of council tax increases on the public by again identifying additional funding to support a council tax freeze in 2015/16, equivalent to 1.0%, £0.3m. Furthermore it is anticipated that this grant will be incorporated into future funding streams, as happened with the last council tax freeze grant provided in 2014/15.

The scope to increase council tax in future years will continue to be limited by the Government's referendum levels, with any proposed increase in excess of this requiring a local referendum. Given that the cost of holding a County wide referendum may exceed £1.5m and the likelihood of obtaining support for an increase in excess of this is considered low this is not a viable option. Whilst the government has not yet confirmed the level of this in 2015/16, for the purpose of financial planning we have assumed the 2% limit on council tax increases will continue to apply in future years.

Council Tax-Base

Members will recall that 2013/14 saw the introduction of a new localised scheme for council tax support, funded by specific grant, with any gap between the final schemes adopted and the level of grant provided being shared between billing authorities and major preceptors. As part of the introduction, each billing authority consulted with all the major preceptors on their proposed scheme. Any billing authority which is proposing to amend its current scheme is again required to consult with major preceptors and whilst this consultation is currently taking place at the present time there are no major changes proposed which would have a significant impact on the Authority.

Until such time as final decisions on revised schemes are taken by each billing authority the actual tax base will not be known, hence for the purpose of the draft budget the tax base used is based on last year's figures, inflated in line with historic growth trends, which are reflective of new housing developments etc.

In terms of the council tax collection fund we are still awaiting draft figures from billing authorities. As such we have included an allowance for a £50k deficit which is broadly in line with historic trends (the one exception to this was 2013/14 where the impact of the new council tax support fund was not as severe as originally anticipated, and this was reflected in the tax base used for 2014/15).

Both the tax base and collection fund deficit will be updated once figures are received from billing authorities.

Draft Council Tax Requirements

Taking account of the draft funding settlement and the draft budget identified results in a council tax increase of just 2.0% in 2015/16, but with large increases in future years:-

	2015/16	2016/17	2017/18	2018/19
Draft Budget Requirement	£55.9m	£56.0m	£57.2m	£58.3m
Less Total Grant	(£29.8m)	(£27.4m)	(£25.5m)	(£23.8m)
Council Tax Collection Deficit	£0.1m	£0.1m	£0.1m	£0.1m
Equals Precept	£26.2m	£28.7m	£31.8m	£34.6m
Estimated Number of Band D equivalent properties	403,653	405,141	406,634	408,132
Equates to Council Tax Band D Property	£64.92	£70.78	£78.09	£84.72
Increase in Council Tax	2.0%	9.0%	10.3%	8.5%

(For information, a 1% change to the council tax equates to £0.250m.)

Whilst the draft council tax requirement in 2015/16 is within the assumed local referendum threshold this is not the case in future years and as such the Authority will have to either identify additional reductions to the budget requirement or will need to hold a local referendum, at an estimated cost in excess of £1.5m, to seek agreement from local residents to the proposed increases. Given the cost and the likelihood of success of a local referendum it is not considered worth pursuing this option.

Council Tax Options

There appear to be two options in terms of council tax in future years:-

- Increasing council tax by the maximum permissible under the anticipated referendum rules, 2%, which generates the following level of grant funding

	2015/16	2016/17	2017/18	2018/19
Council Tax	£26.2m	£26.8m	£27.5m	£28.1m
Council Tax Freeze Grant	-	-	-	-
Total	£26.2m	£26.8m	£27.5m	£28.1m

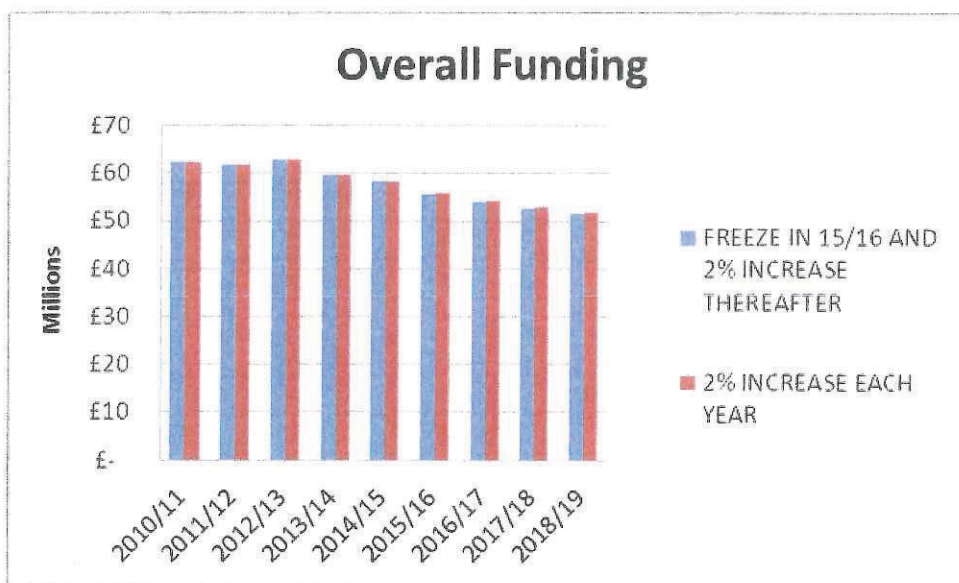
- Accepting the freeze for 2015/16 and subsequently increasing council tax by 2.0% thereafter, which generates the following level of grant funding

	2015/16	2016/17	2017/18	2018/19
Council Tax	£25.7m	£26.3m	£26.9m	£27.6m
Council Tax Freeze Grant	£0.3m	£0.3m	£0.3m	£0.2m
Total	£26.0m	£26.6m	£27.2m	£27.8m

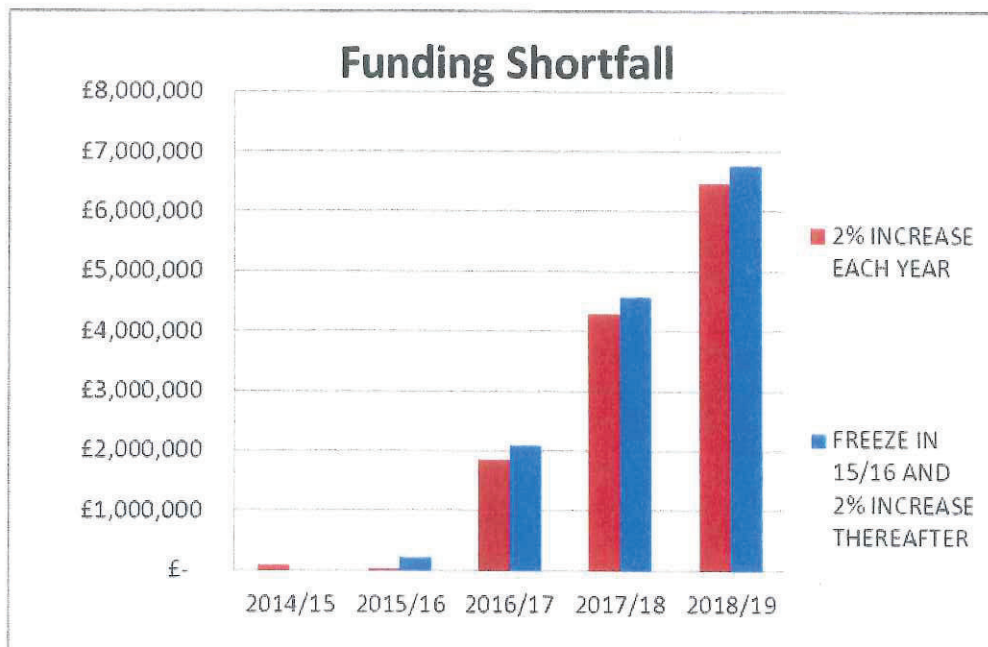
As can be seen implementing the council tax freeze in 2015/16 results in £0.2m less funding when compared with a 2% increase. However as the council tax freeze grant will be built into baseline in future years it will be subject to future funding cuts meaning that by 2018/19 the grant will have reduced from £0.3m to £0.2m. As such the loss of funding will have grown to £0.3m in 2018/19.

Overall Funding

Looking at the next year, and dependent upon which council tax option is chosen, overall funding will fall from its current level, £58.3m, to either £55.9m or £55.7m. Looking beyond that overall funding is anticipated to reduce to £51.8m or £51.6m by 2018/19, a reduction of between £6.5m and £6.7m.



Regardless of which option is ultimately chosen and despite the Authority identifying over £15m of efficiency savings we will still face a significant funding shortfall compared with the draft budget in future years:-



As can be seen next year's budget is broadly balanced and whilst there is a funding gap in 2016/17 (up to £2.1m) this could be offset by further targeted savings and the utilisation of reserves. 2017/18 and 2018/19 present a far more challenging picture, with a funding gap in the region of £4.5m and £6.8m, respectively, where the utilisation of reserves and the identification of further significant savings becomes essential.

Reserves

A reasonable level of reserves is needed to provide an overall safety net against unforeseen circumstances, such as levels of inflation/pay awards in excess of budget provision, unanticipated expenditure on major incidents, and other "demand led" pressures, such as increased pension costs, additional costs associated with national projects, etc. which cannot be contained within the base budget. In addition, they also enable the Authority to provide for expenditure, which was not planned at the time the budget was approved, but which the Authority now wishes to implement.

As such a review of the strategic, operational and financial risk facing the Authority is undertaken each year to identify an appropriate level of reserves to hold, this incorporates issues such as higher than anticipated pay awards, increased number of ill health retirements, etc.

We have not yet had time to carry out an accurate review of future reserve requirements. As such this will be undertaken, and reported on at the CFA budget setting meeting in February.

However, in order to give an overview of this area, we identified a minimum uncommitted reserve requirement of £3.7m last year, and as at 1 April 2014 we held £10.5m of these. If these requirements remain unchanged we have scope to utilise approx. £6.8m of reserves. These can be used to smooth out some of the savings requirements, enabling time to effectively plan changes, as well as providing scope to meet any upfront costs associated with revising organisational structures over and above the £0.5m allowed for in the revenue budget.

On-going Reviews

The Authority has continued to target in-year savings in order to enhance the overall financial position. As part of this the service has imposed a vacancy freeze, which will not

only result in an in-year saving, but will also provide greater flexibility to meet future staffing changes which will be required.

Reviews completed to date have identified over £10m of savings:-

	To Date	15/16	16/17	17/18	18/19	Total
ECR	£1.0m	£1.6m	£1.3m	-	-	£3.9m
Specials	£0.4m	-	-	-	-	£0.4m
Flexi officers	£0.6m	-	-	-	-	£0.6m
Functional	£0.6m	-	-	-	-	£0.6m
Admin	£0.4m	£0.4m	-	-	-	£0.8m
Other	£0.2m	-	-	-	-	£0.2m
Financing Charges	£0.1m	£0.6m	£0.1m	£0.1m	-	£0.9m
Non-Pay	£1.9m	£0.7m	£0.3m	£0.1m	£0.2m	£3.2m
	£5.2m	£3.3m	£1.7m	£0.2m	£0.2m	£10.6m

In addition the Authority has commissioned various other reviews to identify the scope for delivering further efficiency savings:-

	Savings identified to date	Current Budget	Target savings
Non pay	£4.1m (21%)	£15.4m	£0.7m
Support services	£1.6m (22%)	£5.8m	£0.3m
Front Line services	£4.9m (12%)	£37.5m	£3.0m

Savings identified from these reviews will feed the budget setting process in future years in order to reduce the funding gap previously identified.

Budget Scenarios

The previous sections of the report outlined various issues surrounding budget requirement, government funding, council tax funding, and reserves usage. Based on these the Authority will determine whether the budget is affordable or whether a funding gap exists, and if so the Authority will have to review options to eliminate this.

It is clear that there remain various uncertainties surrounding future funding predictions, in terms of both Government funding and council tax funding, as well as considerable uncertainty around future financial pressures such as pay awards, pension contributions etc.

The following scenarios are designed to show the impact in terms of affordability, potential use of reserves and additional savings requirements:-

Option 1 - A council tax increase of 2.0% each year

	2015/16	2016/17	2017/18	2018/19
Original Draft Budget	£55.9m	£56.0m	£57.2m	£58.3m
Funding (Govt and council tax)	(£55.9m)	(£54.2m)	(£52.9m)	(£51.8m)
Deficit	-	(£1.8m)	(£4.3m)	(£6.5m)

As already highlighted earlier despite delivering £15m savings we are still left with a potential £6.5m funding gap in 2018/19. We are undertaking various review to identify further savings and we do have scope to utilise reserves to offset some of the deficit in the short to medium term:-

	2015/16	2016/17	2017/18	2018/19
Deficit as above	-	(£1.8m)	(£4.3m)	(£6.5m)
Additional Savings Target	-	£1.0m	£1.8m	£3.0m
Drawdown of Reserves	-	£0.8m	£2.5m	£3.5m
Revised Deficit	-	-	-	-

This scenario requires the delivery of £3.0m more savings, which is considered achievable, and the drawdown of £6.8m of reserves. This would leave the Authority with £3.7m of reserves, in line with our minimum target reserve level. Of more concern is the on-going funding gap of £3.9m that we would be left with at the end of this period

Option 2 - A council tax freeze in 2015/16 and a 2% increase thereafter

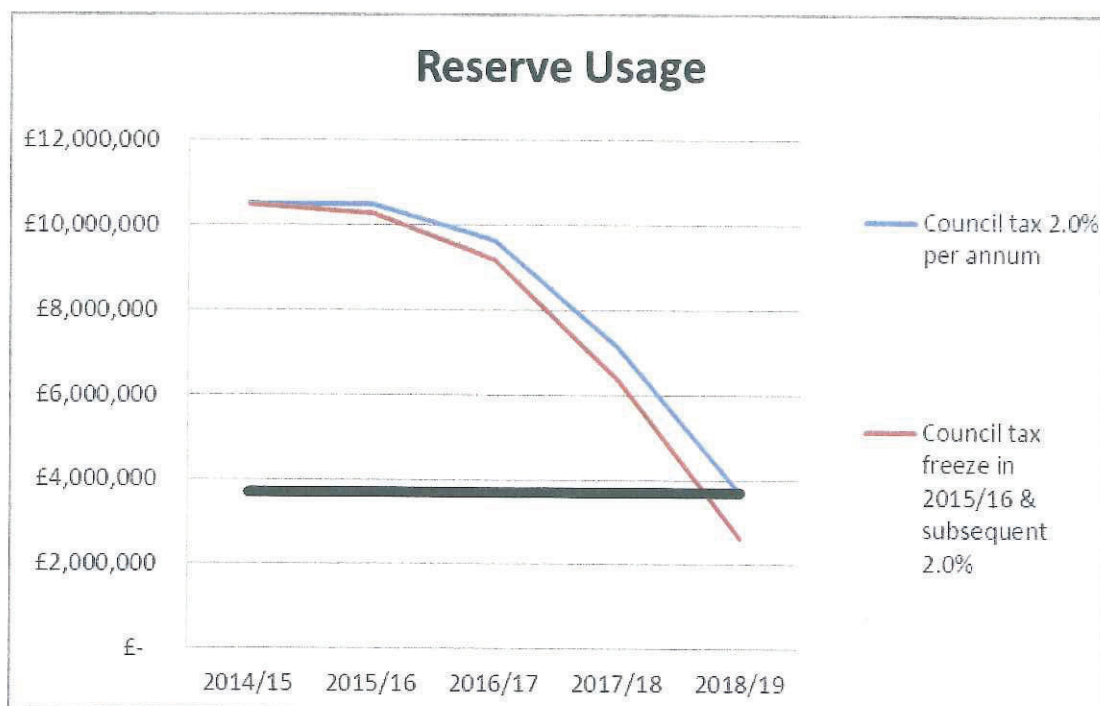
	2015/16	2016/17	2017/18	2018/19
Original Draft Budget	£55.9m	£56.0m	£57.2m	£58.3m
Funding (Govt and council tax)	(£55.7m)	(£54.0m)	(£52.7m)	(£51.6m)
Deficit	(£0.2m)	(£2.1m)	(£4.5m)	(£6.7m)

Again we could utilise a combination of additional savings and reserves to offset some of this deficit as set out below:-

	2015/16	2016/17	2017/18	2018/19
Deficit as above	(£0.2m)	(£2.1m)	(£4.5m)	(£6.7m)
Additional Savings Target	-	£1.0m	£1.8m	£3.0m
Drawdown of Reserves	£0.2m	£1.1m	£2.7m	£3.7m
Revised Deficit	-	-	-	-

This scenario requires the delivery of £3.0m more savings, which is considered achievable, but the drawdown of reserves has increased to £7.7m, which would take the Authority down to £2.8m of reserves, which is below our minimum level. Potentially this could be offset by transferring any future in-year underspends into the reserve. The on-going funding gap of £3.7m represents a far more significant challenge in future years.

The following graph shows the usage of reserves under these options compared with the minimum target level currently set:-



Summary

The draft budget shows the Authority being able to set a balanced budget in 2015/16, based on the latest estimates of future funding, however full details of this will not be known until the Local Government Finance Settlement in December.

From a medium term financial perspective a council tax increase of 2.0% per annum remains a more desirable financial option compared with freezing council tax due to the higher level of funding and the recurring basis of this, but this needs to be considered in the context of the impact on local council tax payers.

In 2016/17 we will be able to set a balanced budget by identifying an additional £1.0m of savings and by utilising up to £1.1m of reserves, which is considered deliverable.

The real financial pressure comes in future years, when funding is less clear. In 2017/18 we anticipate still being able to set a balanced budget by identifying £1.8m of savings and drawing down up to £2.7m more reserves. In 2018/19 we will potentially be faced with a funding gap of up to £6.7m. Whilst we can offset some of this with further savings, £3.0m, this would still require us to utilise up to £3.7m of reserves, and this would take us below our current target reserve level. It is clear that the financial picture will continue to become ever more challenging and that the Authority will need to continue to plan to address this.

Financial Implications

As outlined in the report.

Human Resource Implications

None.

Equality & Diversity Resource Implications

The budget as set should enable the Authority to continue to make progress against its equality and diversity targets.

Environmental Implications

The budget as set takes account of the need to invest in environmental issues.

Business Risk

The final approved budget forms a key element of the Authority's risk management process, as it is designed to minimise any financial risks, which the Authority may face.

The Treasurer feels that the budget has been prepared in a robust manner and that the level of reserves held is sufficient to meet any potential risks.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
Local Government Finance Settlement 2015/16– Technical Consultation	July 2014	Keith Mattinson - Director of Corporate Services
Reason for inclusion in Part II, if appropriate:		