

Delivering Vision 2030 –

Public consultation on

Gateshead Council's

Draft Spending Plans 2010-2013

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Section 1 – Summary and introduction

Summary

This document explains the Council's approach to spending plans over the next three years and asks for your views on the choices that the Council will have to make to deliver priorities if there is less funding available in the future.

Details of how you can get involve are at the end of this document.

The initial consultation period will end on 8 January 2010.

This document contains the scenarios which have a direct impact on service delivery. If you require more detail, it is available by contacting the Chief Executive's Office (details provided at the end of this document).

Vision 2030 – Identifying priorities

With our partners and local people we have set out an ambitious vision for Gateshead – Vision 2030.

Vision 2030 was launched in the summer of 2007 and has six big ideas:

- City of Gateshead
- Gateshead Goes Global
- Active & Healthy Gateshead
- Creative Gateshead
- Sustainable Gateshead
- Gateshead Volunteers

You can find out more about Vision 2030 on our website www.gateshead.gov.uk or by contacting the address at the end of this document.

Over the last couple of months we have asked local people how well we have done so far in delivering Vision 2030, and what we should focus on in the next three years.

This has helped us identify some key priorities. These priorities will influence the Council's spending plans over the next three years. For details see **Section 2: Vision 2030 Priorities**.

Delivering Services

Gateshead Council has three promises to:

- Make Gateshead a better place
- Listen to local people
- Deliver excellent services

In 2009/10 the Council is spending £500million on delivering day-to-day services from street cleaning and road maintenance to schools and community centres. We are very proud of the results of an annual survey of residents that show that 81% of local people think Gateshead is a good place to live. We know that there will be less funding available in the future, but we want to do everything we can to deliver our promises and protect frontline services in the future. There will be difficult choices about what are the most important services, different ways of delivering services and, in some cases, stopping services that are no longer needed. This consultation process tries to set out some of those choices and we would like your views.

Developing Spending Proposals – Three Year Approach

We have decided to look at our spending plans over a three-year period. This helps us, and other organisations we work with, plan better.

We know that there will be challenges ahead. The downturn in the economy means that there is less money coming into the Council, at the same time more people need the services the Council provides.

There is also uncertainty. We don't know how quickly the economy will recover and we don't know how much funding will come from the Government in future.

There is more information in **Section 3: Financial Context**.

Being Prepared

To make sure we are prepared for the future we have developed a number of scenarios. These scenarios present what Council services *might* look like if there was 4%, 8% or 12% less funding available over the next three years.

It is important to note that these scenarios are not formal budget proposals. They present options for how the Council might deliver Vision 2030 priorities depending on how much funding is available in future.

We are aiming to protect frontline services. We are working hard to make sure the Council is as efficient and effective as possible. We have developed a programme called Fit For Future. There is more information about this programme in **Section 4**.

Budget 2010/11

Although we are planning over three years, the Council will still formally agree a budget for 2010/11 (year 1) at a meeting on 25 February 2010. For this reason there is more information in this document about the detailed scenarios for 2010/11.

Following initial consultation and once the amount of funding available is clear the Council will formally publish a draft budget on 19 January 2010.

There is more information about scenarios in 2010/11 in **Section 5**.

Scenarios for 2011/12 and 2012/13

We will continue to consult on the scenarios for 2011/12 and 2012/13 and provide more detail as plans develop.

There is more information about scenarios for 2011/12 and 2012/13 in **Section 6**.

Key consultation questions:

Through this consultation exercise we are seeking views on all our draft spending plans. (There are details about how you can get involved in **Section 9: consultation arrangements**)

We would also like your views about some key questions:

1. **Priorities** – have we identified the right priorities?
2. **Capital spending** – the Council can borrow to fund capital developments, but it adds pressure to the budget. What are the most important capital projects? For more information see **Section 7: Capital investment**
3. **Standards of delivery** - are there areas where the Council should focus on excellence? For example: Sport and Culture, regeneration and clean streets? In other areas should we identify an agreed standard, which ensures a **good** service?
4. **Reviewing and re-providing services** – are there services the Council currently provides that we should stop or that could be provided by others or in another way (e.g. Private Finance Initiative)?
5. **Fees and Charges** – increased charging could support the delivery of frontline services. Should the Council, introduce more charges for services that are currently free, and increase charges where Gateshead is below comparator authorities? **Section 8: Fees and Charges**
6. **Focus on prevention** - should the Council place more emphasis on preventative activities for example parenting support, building capacity in communities?

7. **Partners** – should the Council adopt a more joined up approach with partners, sharing more of the responsibility with partners such as schools, police, health, the voluntary sector and through partnerships with other local authorities?
8. **Neighbourhood agreements** – should the Council work through Area and Neighbourhood arrangements to develop neighbourhood agreements, where the Council works with communities to deliver some services?

Section 2 – Vision 2030 priorities for consultation

City of Gateshead

- City Status in 2012 if the opportunity arises
- Complete a vibrant new shopping area in Central Gateshead
- Attract quality employers and other opportunities by beginning the next phase of the Quayside development
- All new housing meets the needs of communities now and in the future by achieving the Government's Code for Sustainable Homes
- More economic opportunities in our rural areas for example by looking at tourism potential
- Work through the Gateshead and Newcastle partnership to deliver 1Plan (1NG) including International Conference & Exhibition Centre

Gateshead Goes Global

- Host the Thinking "Digital Gateshead 2010" festival, attracting speakers and visitors from around the world
- Redevelop Gateshead International Stadium and host pre-Olympic Games training camp, attracting international athletes to the borough
- Host a series of sporting events as part of our role as European National City of Sport
- Support the bid for NewcastleGateshead to be a host city for the 2018 Football World Cup

Creative Gateshead

- Enable those affected by the economic downturn to re-train in emerging and expanding employment sectors
- Consolidate our schools building programmes under Building Schools for the Future for the next wave of secondary and secondary age special schools
- Deliver public services in easier, more convenient ways for as many people as possible e.g. using digital technology
- Increase apprenticeships to help both 14 to 19 year olds and adults find skilled employment
- Continue to work with our local universities to increase their presence in Gateshead

Sustainable Gateshead

- Improve access to more sustainable forms of transport (public transport, walking, cycling) increase its use
- Explore opportunities for more green jobs and businesses in Gateshead
- Increase the amount we recycle by working through Waste Management Partnership to reduce the waste we send to landfill
- Increase the number of homes built in Gateshead that meet people's needs and aspirations and their design are developed in a way that minimises carbon emissions, energy usage.
- Respond to climate change and its effects in Gateshead, e.g. by increasing use of green cars and fuels, and ensuring that all new homes in Gateshead are built to high environmental standards

Active and Healthy Gateshead

- Refurbish and build new leisure centres across the borough. Including Gateshead Leisure Centre, Birtley Pool and new facilities at Felling and Blaydon, and flagship adventure play park at Tyneview Children's Centre
- Continue to offer effective safeguarding services, providing support and advice to families to reduce neglect and abuse of children and vulnerable adults.
- Continue to focus on active and healthy lifestyles to reduce obesity and promote moderation in alcohol consumption
- Prevent smoking and provide our communities with the support they need to stop smoking
- Develop preventative services to reduce offending levels
- Reduce drug and alcohol abuse and improve ways of working (through Total Place)

Gateshead Volunteers

- Action plans for community development and volunteering
- Develop volunteering opportunities for young people through "V" involved programme
- Volunteering experience placement to run in addition to work experience placements
- Implement a staff volunteering scheme
- Adopt and implement an asset transfer policy

Cross-cutting themes – closing the gap and engaging communities

Section 3: Financial Context

National Context

The revenue budget for the Council is heavily influenced by the level of grant funding from the Government. Next financial year, 2010/11, is the final period of a three year grant settlement for local government.

Whilst the Government has given councils some certainty on funding in 2010/11, the worsening of the economy and high levels of public sector borrowing increase the risks that this certainty might not be deliverable. As well as looking at 2010/11, uncertainties about funding in the future mean that the Council is looking at spending plans over a three year period. These plans need to recognise the prospects of challenging cuts in public spending nationally, which have been well publicised.

Local Context

The Council's total revenue budget for 2009/10 to deliver day to day services is £500 million. This excludes spending on the Council's housing stock, which is dealt with separately and is partially funded by housing rents.

The money to fund the Council's spending comes from the following sources:-

	£ million
• Council tax	85
• Dedicated schools grant	105
• Formula grant	123
• Use of Reserves	15
• Fees and Charges	32
• Other grants	<u>140</u>
	<u>500</u>

Council tax meets only 17% of spending and increases are limited by the Government's policy on capping "excessive" rises.

Dedicated schools grant can only be used to support spending on schools, whilst formula grant is not earmarked for any particular service. Allocation of both types of grant are mostly based on numbers of people who live in the area, in the case of schools, pupil numbers.

The Council has a policy on the use of its reserves to support the budget. As reserves can only be used once, the priority is to support one-off initiatives and projects where investment can lead to efficiency savings.

Budget Pressures

The Council has a three year Medium Term Financial Strategy which sets out how its resources are directed to delivering priorities.

Over the next three years a number of areas where there is pressure on the budget have been identified. Some of these are:-

- Impact of the economic downturn on income and increased demand for services
- Demand for adult social care
- Safeguarding of children
- Managing waste and recycling
- Pensions
- Support for capital investment (see **Section 7**)
- Potential reductions in Government funding

The Medium Term Financial Strategy is being reviewed and will be considered by the Council's Cabinet on 1 December 2009. It takes into account the above pressures and suggests that, depending on the level of funding reductions, the Council could have to reduce spending in some areas by between £50 and £60 million.

Further work will take place over the next few months to refine the impact of budget pressures and the extent of potential reductions in funding before the budget is formally agreed in February 2010.

Section 4: Fit for Future Programme

Delivering Vision 2030

'Fit For Future' is the Council's transformation programme which will ensure that the Council re-directs resources to deliver Vision 2030 in a challenging economic context.

In order to do this, we will need to:

- Ensure we are doing the **right** things
Does activity deliver priorities? How does it improve outcomes for local people?
- Ensure we are **driving out inefficiencies** in everything we do.
De-layer, de-duplicate and consolidate e.g. business support services
- Benchmark
Ensure we understand cost of services and benchmark against alternative providers to ensure value for money
- Maximise income generation through **trading**
Review which service areas could earn more income through new trading company
- Partnerships
Review partnership activity, focussing on delivering priorities
- Treating people fairly
Engage employees and Trade Unions
Develop a new 'contract of responsibility' between the Council and local people.

Fit For Future programme

A revised programme has been identified to accelerate progress and ensure that Fit For Future is the Council's transformation programme. The programme is based around four strategic projects and initial estimates are that the programme will deliver £15 Million efficiencies in the first three years.

By 2015 the Council will be making significant progress in the priority areas of health, environmental sustainability, economy and regeneration. We will be commissioning and delivering services around resident's individual needs, working more efficiently within a mixed economy and with partners. We will focus on front line services providing people with more choice about how they can access services.

The Four Strategic Projects

Front Office

The Council should interface with customers in the most efficient and cost effective way through a new 'integrated **'front office'** business model. This will seek to accelerate the customer services strategy with the efficiencies that can be generated in the short and medium term. Duplication needs to be removed and opportunities for income generation through providing services for partners should be pursued.

Back Office

A 'back office' business model will be developed to drive forward efficiencies (consolidation, devolution or both) to remove duplication and bureaucracy. This includes a range of corporate services that support front line service delivery including, financial management and administration, information technology, HR, ICT, legal services, procurement, property services, communications, performance management and a wide range of facilities management services. The objectives are:

- *Consolidate all generic activity.*
- *Outcomes will remove duplication of activities.*
- *Inefficient and superfluous processes will be eliminated.*
- *The best and widest use of skills and professional expertise.*
- *Optimum use of technology.*
- *Retain and reinforce ownership of service performance and service outcomes with service managers.*

Trading Company and Income Generation

The Council's existing Trading Company will be developed and be given impetus. Whilst it is likely that some work will be delivered through the Company in near future, it needs to be populated and resourced to drive it forwards.

Business Improvement Process

To date the Council has approached business improvement in an ad hoc way. The Council will develop the appropriate methodologies to be used across the Council to implement change and improve processes.

Section 5: Scenarios for 2010/11

Community Based Services **Group Director: Margaret Whellans**

This Group provides the following services:

- Adult social care
- Communities and neighbourhoods
- Sport and leisure
- Libraries and arts
- Housing strategy

Objectives and approach

- Looking at priorities
- Looking at Value for Money
- Looking at why we continue to provide services
- Looking at different ways to deliver

Vision

The focus of services ensures that people within Gateshead are:

- Healthy
- Equal
- Safe
- Feeling good

Total budget

Service	Total Budget £m Net
Sport and Leisure	6,914
Libraries and Arts	6,492
Adult Social Care	54,124
Communities and Neighbourhoods	3,335
Housing	0
Total	70,865

Ref	Scenario	Budget	Savings	Key Service Implications	Comment	Area
CBS 5	Northumbria Police Additional Policing, Safer Gateshead Development Fund and Problem solving fund	£431,500 (£295,000 pooled development budgets)	£60,000	Merger of these 3 funds into one partnership pot will allow the partnership to address local crime and community safety issues in a proactive way.	Merge additional policing fund with Partnership Fund and Problem Solving and reduce it by 60k. This proposal is still being negotiated with the Police.	All
CBS 11	Reprovide Carlisle House	£70,000	£70,000	Merge into user led service at Worcester Green	This cost represents building costs of the service.	Central/All
CBS 12	Community Legal Advice Contract	£1,000,000	£100,000 £98,000	Efficiency review with CLA over next 3 years Fewer case starts for advice compared to current contract.	Jointly funded with Legal Services Commission. Gateshead Advice Partnership started audit on all advice services to avoid duplication and to achieve consistency in quality.	All
CBS 13	Transfer hours from in-house provision to Independent Sector	£8,051,000	£500,000	Will reduce the Council as a provider of longer term domiciliary care for Older People. Focus priority for Council on: - Reablement - End of Life - Dementia - Complex Needs Care	This reprovion to independent sector could be achieved gradually overtime. At the same time the Council could consider 'trading' to be within a 'choice' market place.	All
CBS 14	Increase Transport Charges for users of adult social care services	£400,000	£40,000	Increased charge for transport – level to be determined following consultation	Impact on service users changing arrangements.	All
CBS 19	Closure of bar at Indoor Bowling Centre	£5,000	£5,000	Service will cease. Demand for service is low with very few people accessing / using the bar facilities. Not an effective use of resources to keep bar open.	4% Profile	Central

Development & Enterprise
Group Director: Derek Quinn

This Group provides the following services:

- Transport and Highways
- Design
- Planning & environmental services
- Property Services
- Economic Development

Objectives and Approach

- Challenge everything
- Drive efficiencies through streamlining processes, consolidation of activities (incl. use of ICT), find new ways of working
- Ensure statutory duties are fulfilled at an acceptable level
- Ensure opportunities are maximised to support the three key areas of economy, environmental sustainability and health
- Identify things we can stop doing

Vision for Development & Enterprise

- Delivering sustainable community strategies and schemes
- Supporting and enhancing the local economy and health of the Borough
- Customer focussed services
- Development and project team approach to service provision
- Jointly solving complex development related issues

Issues

- A number of non-statutory functions provide support to the delivery of the Council's priorities
- How far can we allow performance indicators to drop in areas where we could make savings?
- Mix of back and front office functions which, through Fit For Future, will potentially be subject to a full Council approach in future
- The Group budget represents only around 7% of the overall Council budget and is directed at a wide range of disparate activities. Any potential savings are therefore likely to have more of an impact on those individual services

Cross-Cutting Issues for Development & Enterprise

- Countryside
- Health
- ICT Systems
- Strategic Housing
- Business Support – potential mergers / transfer of responsibilities
- Design and Build

Total Budget £ 21.785M

	Budget £000	4% cash savings £000	8% cash savings £000	12% cash savings £000
Regulatory Services	4,479	179	358	538
Planning & Env Strat.	1,886	75	151	226
Economic Development	3,756	150	300	451
Design	174	7	14	21
Property	2,011	80	161	241
Transport & Highways	7,951	318	636	954
Review and Support	1,528	61	122	183
Total	21,785	871	1,743	2,614

Scenarios

- Reducing teams and activities
- More effective management of demand from client services
- Reducing quantity of free advice
- Reducing non-essential projects (e.g. Heritage Open Days)
- Contracting to provision of reactive service delivery in some areas
- Reducing grant awards
- Closure of buildings
- Reducing inspections across a range of activities
- Develop a shared services approach, alongside other external bodies (e.g. Regional Trading Standards)

Ref	Scenario	Budget	Savings	Key Service Implications	Comment	Area
DE 3	Highway maintenance schemes		£43,000 £100,000 £100,000	Reduction in highways maintenance. Likely to lead to increase in routine maintenance.	4% 8% 12%	All
DE 4	School crossing patrols		£10,000	Indicative at this stage – review of policy due to be reported to Cabinet in near future.	4%, 8%, 12%	All
DE 5	Christmas lights		£57,000	Last year of current contract	4%, 8%, 12%	Mainly Central Area
DE 7	Quaylink		£108,000	Contract due for renewal next July. Loss of direct bus service between Quays and Newcastle city centre.	4%, 8%, 12%	Central
DE 8	Gateshead Millennium Bridge		£140,000	Reduce maintenance to a minimum	12%	All
DE 9	Street light column replacement		£72,000	Stop column replacement programme.	12%	All
DE 16	Reduce Economic Development Service	£1,468,000	£108,000	Work would be distributed across other members of staff although this would ultimately mean that fewer clients would benefit.	4%	All
DE 17	Reduce back to Work grants budget	£194,000	£40,000	A reduction of 200 residents receiving Back to Work grants	4%	All
DE 18	Terminate lease at Team Valley Business Centre (from February 2011)	£310,000	£26,000	Alternative premises would need to be found for the occupants of the Centre. This provides the best solution for the Service although the major reduction in spending would not be realised until 2011/2012.	4%	Lamesley and Lobley Hill and Bensham
DE 23	Reduce contribution to Tyne and Wear Conservation	£24,000	£12,000	Partial withdrawal from partnership	4%	Borough wide
DE 25	Reduce activity within Private sector housing	£390,000	£40,000 £40,000 £40,000	Reduced Landlord licensing, air pollution, support to Anchor HIA Reduced work on empty property strategy and conversions, rent deposit scheme and support to tenants Reduced delivery of grants and loans, empty property initiative, enforcement.	4% 8% 12%	Borough wide

Ref	Scenario	Budget	Savings	Key Service Implications	Comment	Area
DE 27	Close Stonehills General Office	£84,200	£84,200	The General Office provides administrative facilities to a small number of independent businesses, who would need to make alternative arrangements.	With deletion of posts =12%	East

Learning and Children
Group Director: Maggie Atkinson

This Group provides services which support schools and children and young people.

Objectives and approach

- To align funding with Gateshead Strategic Partnership, Council and service priorities, value for money and efficient use of resources
- To define desired outcomes, then work back from them towards what we provide, profiling staff, delivery and Quality Assurance on that basis.
- To ensure all services meet the needs of children, young people, families.
- To offer high quality delivery to paying customers of traded services operating in a competitive market.
- To ensure funding supports front line services: universal entitlement, targeted support, and specialist statutory needs-led intervention.
- To maximise use of the Dedicated School Grant (DSG) to fund services to schools, with the caveat that the more schools are asked to fund, the higher their demand on central services, and the lower their buy-back into traded services.
- To sustain and improve core and statutory functions, and at the same time to take care in cutting discretionary spending that leaves statutory services picking up more of the load, at greater expense than if discretionary spending continued.
- To ensure leaner management and leadership whilst safeguarding service delivery, rationalising the number of bases we occupy, and changing how services operate.

Vision

Our key purpose, is to improve outcomes for all children and young people. The vision and objectives are driven by 5 national Every Child Matters outcomes (Healthy; Safe; Enjoy and Achieve; Positive Contribution; Economic Well-being). It carries 19 LAA Targets, and contributes to most others. The Group has been changing how it delivers services since 2000, accelerated since 2005 under Every Child Matters and Education Acts.

Total budget

Service	Budget
Access and Inclusion	£12.056m
Business Strategy and Support (shared with CBS)	£2.5m in Learning & Children plus 4.5m in CBS
Children and Young People	£7.7m
Raising Achievement	£3.6m
Children, Families and Young Offenders	£17.9m
Total	£43.756m (plus £4.5m in CBS)

There is also an additional £105 million which is ring-fenced to schools through DSG.

Key budgetary challenges

- Pressure on funds for early retirements ahead of changed pension rules from 1/4/10.
- Post-Baby Peter rise in Child Protection referrals
- Looked After Children numbers: 280 in late 2008, around 320 at the moment
- Neighbourhood Nurseries (subject to separate consultations)
- Private Finance Initiative (ongoing) and Building Schools for the Future Private Finance Initiative (next phases) bring funding gaps
- Some schools are facing financial difficulties.

Key issues for consultation.

Maintaining the balance between the provision of universal targeted and preventative services., many of which are discretionary but if not maintained would result in increased pressure on high end, expensive, specialist services

Review of management arrangements; to reduce the number of senior managers, without damaging the delivery of front line services. This would require amalgamation of some management functions mainly within Area Based services. It would also in years two and three, require a review, with a view to reduction, of Group Management Team.

Securing efficiencies could be through the **increased use of technology** to improve business processes and reduce costs.

Service Reviews: We need to review service delivery within a clear set of priorities eg Access and Inclusion, Family Support Services, Child and Adolescent Mental Health Services. This may result in services being delivered to a different level, targeted primarily on priority groups and possibly by different providers. It may also result in different staffing patterns over time, in some service areas.

Service or sector-specific consultations: Neighbourhood Nurseries; school re-organisations and reprovision; exit strategies across a range of grant regimes.

Further devolution to schools; There are some opportunities to negotiate with schools on services they could fund through Direct Schools Grant where the local authority is currently providing the funding. The risk of this is that schools may then have smaller resources with which to buy those services they back services from the council, which could directly impact on income to Local Environmental Services and Raising Achievement Service. Additionally there are opportunities to devolve some services to schools thus reducing management and business support costs, e.g. Special Educational Needs budgets

New ways of working with partners, and in commissioning/procuring services to create co-located and or integrated services, e.g. Children with Disability services.

We should enter discussions with other local authorities on services such as Ethnic Minority and Traveller Achievement Service, school improvement, fostering training and recruitment to explore further opportunities for reducing costs through collaborations, income generation, etc.

We need to review funding to third sector organisations to ensure they are delivering to priorities and targets. Alongside this there are opportunities for some community groups to consider alternative business models, e.g. community enterprise. There is also a need to ensure they contribute to efficiencies.

We will review the number of buildings we deliver services from, as well as how many schools we run. There may be ways to reduce business support and building costs whilst still delivering local services. This would be part of a review over all three years.

Longer term areas which need exploring :-

Exploring Charitable Status for schools, to allow schools to make savings and thus reduce their costs. There would be implications on Council National Non-Domestic Rates revenue, and this change would need thorough investigation.

Exploring the level to which we can use commissioning processes as a means of driving down costs. New Children's Trust arrangements will need to ensure that partners are playing their part in both governance but in financial support of key services. The two lead partners are the Council and the PCT. This development should be pursued through the emerging Children's Trust.

The extent to which there are opportunities to income generate through selling services e.g. Raising Achievement. Moving to full cost recover in all traded services.

Out-based Offices review: indicates we should develop Dryden as Council training centre. This will require a concerted and whole Council approach to the Centre's use, and would see all users pay for all uses of its facilities. This development requires fuller exploration.

Ref	Scenario	Budget	Savings	Key Service Implications	Comment	Area
LC 3	Reduction in home to school/college transport budget.		£100,000	Whilst this service is demand led and a statutory responsibility as the Special Educational Needs Inclusion Policy is enabling more children/young people to attend their local schools we should see a reduction in cost. Some risks attached to reducing budget as we can be subject to Ombudsman directives.	8%	All
LC 14	Close Hallgarth Children's Home		£475,000	Loss of 4 residential placements and increased pressure on remaining beds. Children would have to be placed elsewhere.	12%	All areas
LC 15	Decommission Home Start Service.		£9,000	Jointly commissioned with Primary Care Trust, service would be no longer available.	4%	All areas
LC 16	Review Family Support provision to achieve closer alignment to targeted and preventative services.		£252,000 £78,000	Review would look at supporting families workers, work of family centres and family support co-ordinators. Reduction in service would directly impact on frontline social work teams and may lead to increased numbers of children coming into care.	8% 12%	All areas
LC 17	Review Raising Educational Achievement of Looked after Children (REALAC) team arrangements.		£94,000	Reconfiguration of service with possible reduction in level of service. Request to Schools Forum for use of Dedicated Schools grant to support the team	8%	All areas
LC 18	Review Therapy Team.		£187,000	Reduction in level of service to looked after children with therapeutic needs. Review would be conducted along review of Children and Adolescent Mental Health Services.	8%	All areas
LC 19	Review Treatment Foster Care (TFC) programme.		£41,000	Reduction in level of service offering placements for looked after children with complex needs..	8%	All areas
LC 20	Review Safeguarding Team		£15,000 £45,000	Review processes and systems to identify how new technology systems can reduce costs in conferencing and reviewing processes. Current workload increasing. Impact on service delivery and key PIs..	8% 12%	All areas
LC 21	Reduce level of service offered from Safeguarding and Care Planning Teams and Looked After Children Social Work Teams.		£20,000	The ability to reduce this provision would be by accepting higher levels of risk within the service in relation to safeguarding of children	12%	All areas

Ref	Scenario	Budget	Savings	Key Service Implications	Comment	Area
LC 22	Review level of service provided by Youth Offending Team.	£735,000	£47,200 £64,400	Reduction in level of service to young offenders.	4% 8%	All areas
LC 26	Reduce level of preventative work, Youth Inclusion Programme.		£34,000	Reduction in level of service.	8%	Yes East and South
LC 29	Review funding to projects being delivered by schools, voluntary and community sector eg Crèche mobile Extended schools Lyndhurst Management Committee Way Out in Gateshead (WING) Whoops Child Safety, Jewish Community Neighbourhood Social Fund/Positive Activities for Young People grant aid.		£176,000 £147,000 £76,000	A strategic approach would need to be taken to work with voluntary sector to explore alternative business models where appropriate or to raise alternative funds.	4% 8% 12%	Creche Mobile- All Areas. Ext Schools-All Areas Lyndhurst - South Wayout in Gateshead- All Areas Whoops -All Areas Jewish -Central PAYP -All Areas
LC 33	Review level of Raising Achievement Service support to schools.	£3,615,000	£60,000 £60,000 £120,000	Would reduce support, challenge and advice to schools on standards. Could result in decline in standards and educational achievement, and level of influence of Council with its schools. Level of reduction would be dependent on level of saving required.	4% 8% 12%	All

Local Environmental Services
Group Director: John Robinson

This Group provides the following services:

- Waste Services
- Grounds Maintenance
- Neighbourhood Wardens

Objectives and Approach

Detailed work has been undertaken using a range of techniques to identify potential savings and develop proposals. This has been carried out in parallel with corporate budget planning guidance. The overarching objective has been to mitigate impact on service effects and people within all service areas across the Group.

Total Budget and Service Areas

Local Environmental Services has a turnover of around £100M per annum most of which is accounted for through former trading accounts and the Construction Trading Account. Exceptions to this are Waste Services & Grounds Maintenance and parts of Construction Services, which are funded through the Revenue Budget.

	<u>Net Budget</u>	£m
<u>WSGM / Highways Maintenance</u>		
Waste Disposal and Partnership		6.4
Neighbourhood Teams		11.7
Horticulture		2.6
Construction Services - Highways		3.0
Technical & Management Services		0.3
	Total	24

- Construction Services including highways, building maintenance and capital works
- Waste Services & Grounds Maintenance including neighbourhood services, recycling, cemeteries and crematoria.
- Transport, Cleaning and Catering including fleet management, schools meals service
- Business Support including strategic and administrative support services and the integrated Neighbourhood Warden Service.

Vision

The vision for the Group is to continue to be the provider of choice in key strategic areas as a means of maximising contribution to Vision 2030, corporate objectives and partnership working. Where further development of a mixed economy will improve

financial and commercial viability this will be given a priority along with developing more relevant business models.

The potential for further service development across the Group is also recognised. Seeking opportunities, which can bring about more efficient and effective ways of delivering services will also be given priority.

Strategy

The Group's budget strategy has involved scenario planning across its service areas and impact assessments of the key proposals where they affect the quality of life in areas and neighbourhoods. The continuing relevance of service areas has been challenged as well as their financial and commercial viability in a changing environment.

Ref	Scenario	Budget	Savings	Key Service Implications	Comment	Area
LES 1	Additional income from increased Fees and Charges for Burial and Cremation.	£840,000 Income	£35,000	Increased fees and charges by £20 for burials and cremations.	4% Option (actual saving = 4%)	All
LES 2	Cease all catch-up collection arrangements following Bank Holidays (except for Christmas and New Year).	£7,200,000	£40,000	Cease Bank Holiday catch up working days (excluding Christmas and New Year) for refuse collection, Green-It, Kerb-It and special collections.	4% Option (actual saving = 0.5%, 4% = c£290k)	All
LES 5	Closure of Birtley Crematorium and the transfer of service to Saltwell Crematorium.	£250,000	£75,000	Closure of Birtley Crematorium whilst retaining the Chapel, Cemetery and access to the Book of Remembrance. Service will be transferred to Saltwell Crematorium, which has capacity to cope with any additional demand. It is expected that most of the use from Birtley will transfer to Saltwell Crematorium although a small proportion may transfer to Mounstett (from which Gateshead receives a share of the income). Some use may transfer to Durham City, the next nearest crematorium. Gateshead differs from most other Councils as we currently operate 2 separate crematoria and have a share in Mounstett crematorium in County Durham.	4%, 8% and 12% Options (actual saving = 30%, 12% = c£30k)	South and Central

Central Services

This Group provides services including Finance, ICT, Legal, Corporate, Customer Services and public buildings.

Objectives and Approach

- Strategic challenge – everything is open to different approaches and thinking
- Priorities to frontline services
- Reduce bureaucracy, therefore we need to reduce our processes and consolidate activities

Vision for Central Services

- Customer Focus
- Intelligence led
- Consolidated services to reduce duplication
- 21st Century ways of working

Issues

- Resources are predominantly employees
- Changes to Central services are likely to impact on other parts of the Council and vice versa
- Central services involves both front and back office services
- Efficiencies can be made across the Council for both front and back office services
- Judgement to be made on how much impact the Council should risk on performance levels

Cross Cutting Issues for Central Services

- Performance management (service improvement in CX; Financial services performance management; OD; Business support)
- Customer services (Revenues and benefits and customer services)
- Business Support
- Income generation

Chief Executives Department
Strategic Director: Jane Robinson

Total Budget: £4.1M

Scenarios

- Reducing functions and teams
- Merging functions and teams
- Reducing publications and printing
- Reducing training and development

Implications

- Reduced capacity which will mean we stop functions or share / transfer to other services (eg policy; service improvement; communications; management)
- Reduced training (eg media training officers and councillors; across service)
- Reduced publications (GEN; Council News)

Key issues

- Council News : Reduced frequency or reduction in size and paper quality
- Marketing : reduce marketing campaigns and publications by 25%
- Reduced media capacity : mainly reactive
- Reduced partnership activity
- Reduced teams and management
- Reduced process in grants and awards and review

Ref	Scenario	Budget	Savings	Key Service Implications	Comment	Area
CX 3	Reduce print and publications budget	Comms	£16,000	Reduce the pages and paper quality of Council News	8%	All
CX 4	Reduce print and publications budget	Comms	£56,000	Reduce Council News from 6 to 4 issues Reduced opportunities to communicate with citizens	8%	All
CX 5	Cease TWRI commission (Tyne and Wear Research Unit)	AM 362	£58,000	Research and Intelligence team to consider work programme	12%	All

Legal & Corporate Services
Strategic Director: Mike Barker

Service Budgets:

	£M
Customer and Building Services	6.333
Human Resources	1.826
Development law & Democratic Services	1.321
Litigation	0.822
Business Support	0.719
Organisational Development	0.700
Corporate Procurement	0.345
Total Budget:	12.07

Key Issues from scenarios for 2010/11

At 4%:

- Reduce buildings maintenance and telephony improvements
- Closure of Civic Centre Car Park Gatehouse
- Reduce frequency of employee survey
- Reduce Managers' Development Programme
- Reduce printing costs for Council business (use library copies and access online for large documents)
- Reduce promotion of Council as an employer

At 8%:

- Reduce Customer and Building Services management and staff and Democratic Services staff
- Reduce building cleaning
- Reduce Admin/Clerical capacity
- Reduce promotion of Health & Safety
- Reduce employee health promotion initiatives
- Reduce staff training & development

At 12%

- Further reduce Customer Services management and staff
- Further reduce Democratic Services activity
- Reduce Organisational Development activity
- Stop administration of Childcare scheme
- Consolidate HR advice
- Reduce corporate Health & Safety reviews and training

Implications for 2010/11

- At 4%, the proposals risk deterioration in the appearance of buildings, the ability to attract and retain employees, and reduction in staff development and not using libraries as customer service contact points.
- At 8%, the proposals involve a further deterioration in the appearance of Council buildings, the significant slowing of migration of services into Customer Services, a reduction in the servicing of meetings and the capacity of buildings for community use, an impact on call answering times, and reduction in promotion of employee health and training and development, including Health & Safety
- At 12%, the proposals involve intensification of the above implications

Implications for 2011/12 and 2012/13

The scenarios for 2011 onwards would involve a significant reduction in capacity and flexibility to respond to changing priorities and new and existing initiatives. It is therefore recommended that, where applicable, the functions affected are reviewed under the proposed transformation programme for the Council, Fit for Future, so that they can be reviewed, and efficiencies gained (including through identifying possible alternative forms of provision: e.g. shared services), by looking across all services within the Council, rather than individually. Without taking that approach, the following risks arise:

- Demand for a number of services within Legal & Corporate is likely to remain (e.g. legal and HR advice) despite reduction/cessation of in-house provision, leading to a likely increase in cost to the Council overall from having to source these externally
- Reduction in levels of advisory services and training (e.g. H&S) likely to lead to proportionate increase in risk to Council: i.e. civil litigation; employment tribunal claims; public law (judicial review) claims; and complaints to Local Government Ombudsman
- The Council's ability to implement the Fit for Future programme itself would be limited, as it requires input from Legal, HR, OD and Corporate Procurement services, as well as the continued implementation of the Customer Services Strategy and consolidation of Business Support functions

Ref	Scenario	Budget	Savings	Key Service Implications	Comment	Area
LCS 14	Maintenance and Building Services staff reductions		£100,000	Reduced repairs and maintenance. Reduce number of caretakers in line with office closures. Restricted opening times of Civic Centre. Close car park gatehouse.	4%, 8% and 12%	All

Finance & ICT

Strategic Director: Derek Coates

Total Budget: £11.5m

Includes Financial Management, Financial Services and ICT.

Scenarios

- More efficient processes
- Reassessment of risks of managing budgets and audit
- Review of back office support
- Merging council tax and benefits with customer services
- Reduced ICT infrastructure
- Reduced ICT development and support

Implications

- Reduced strategic capacity with need to share or transfer to/from other services
- Reduced audit work
- Impact on benefits service and council tax recovery
- Reduced external support
- Reduced scope for improving service delivery through use of new technology

Key Issues

- Fewer employees (about 25% at 12% a year)
- Reduced project support and partnership lead
- Audit outcomes subject to Audit Commission challenge
- Deterioration in service to benefit claimants
- Benefits inspection
- Impact on council tax collection
- More telephony in front office
- Reduced ICT network resilience
- Delivery of ICT strategy

Ref	Scenario	Budget	Savings	Key Service Implications	Comment	Area
F&I 7	Cashiers-reduction in staff of 0.5fte from move to electronic payments and reduction in cash transactions		£11,000	Minimal impact	4%	All
F&I 9	Revenues – reduction in staffing in NNDR and Council tax recovery		£51,000	Potential impact on council tax & business rates collection performance from proposal and implementation of new system.	8%	All
F&I 10	Further reductions in Benefits staffing in all areas including processing, visiting, appeals, overpayments recovery, training and monitoring		£104,000	Impact on performance in all areas of appeals, overpayments and processing	12%	All

Section 6: Scenarios for 2011/12 and 2012/13

This section outlines some of the key areas where the Council is considering changes in the future. The Council will carry out further consultation on these areas, but we would welcome your views now on the issues in this section.

Community Based Services

Adult Care

A key area of efficiency that will require specialist consultation is with adult social care and the impact of 'personalisation on traditional social care services and the need to ensure the universal and preventative services are used in a way that ensures that funding available to be targeted to those most in need. Essentially the areas for consultation are:

Moving away from separate and distinct building based services – this means consulting on:

- a) moving smaller, isolated community day services activity into the major leisure centre refurbishments
- b) considering the future of large Adult Training Centres
- c) moving away from being a provider of care in areas where we cannot demonstrate best value, support Time Recovery Workers, longer term low level domiciliary care, independent supported living
- d) bringing greater clarity about activities of daily living that are agreeable to be funded by adult social care
- e) making better use of universal and preventable services
- f) developing greater neighbourhood system of support e.g. guidepost
- g) developing the role of social work in personalisation, choice and control.
- h) Setting up a social care service to be a provider of choice within Gateshead.

Library Service

A key area of scrutiny currently being considered is the future delivery of a community library service. The emerging strategy has a number of scenarios:

- a) retain the larger libraries in each of the five areas and consider use of local community lending / information points supported by volunteers – known as Community Partnership Libraries
- b) reduce over the whole library service a reduction in opening hours
- c) consider the reprovision of 3 community libraries
- d) consider the role of libraries within adult education
- e) consider the role of libraries in the reprovision of schools libraries service and the costs of doing this service

Housing Services

Review of Adaptations Policy

Cabinet has agreed to a review of adaptations policy being carried out in conjunction with Advisory Group

Potential areas to be explored include:

- a) the Council currently spends £1m a year on bathing adaptations. It is proposed to explore in the policy review the potential tightening of the criteria to qualify for this type of adaptation
- b) to explore whether we should not fund extensions from the adaptations budget. In Newcastle if adaptation work cannot be accommodated within the dwelling, the applicant needs to consider rehousing as the solution
- c) to consider whether there should be a similar cap of £30k on adaptations in Council dwellings to the one which applies to the private sector
- d) where work would cost above a certain value, the review would consider whether we should offer applicants re-housing with a financial contribution to wards meeting removal costs.
- e) adaptation of one dwelling only, unless there is good reason for the applicant to move.
- f) to seek views on meeting the essential needs of the service users only, rather than preferences of carers.
- g) provide minimum criteria for adaptation of a dwelling free, with any further work funded by the applicant

Sport and Leisure

Bill Quay Farm

Proposal to consider the future operation of Bill Quay Farm

- a) does Gateshead Council want to continue providing a community farm?
- b) could the farm be looked at in the whole context of reviewing countryside services across the Borough?
- c) is the best place for the farm to be within Sport and Leisure Service?

Events

Proposal to consider the options in relation to the events that are run within Gateshead Council

Scenario 1: Do **not** run the Gateshead Summer Flower Show

Or

Scenario 2: Do **not** run any of the following events: Community Festivals, Junior Games, University Boat Race, Annual Fireworks and Bonfire displays, bowling events, Saltwell Park Show, Beautiful Gateshead, Civic Swimming Galas, Other horticultural events and the Junior Great North Run

This proposal is to remove the events budget in terms of funding, not to remove posts, work of the events team would be focused around supporting communities to deliver their own small community events, developing skills of local people and running events that are 100% externally funded.

The impact of this could be the loss of Gateshead's world renowned reputation as a leading venue for world class events.

Communities and Neighbourhoods

Community Centres

In order to take forward phase 2 of the implementation of the Community Centre Review the following areas will be explored;

1. Asset transfer for a small number of centres
2. Reprovision of community activity for a small number of centres
3. Development of an equitable system for financial support from the Council with centres receiving the same percentage contribution towards an agreed list of eligible expenses
4. New ways of providing the cleaning and caretaking service
5. Establishment of a broader based community enterprise to manage a number of community centres.

Proposals 1,2 and 3 are the subject of a Cabinet report that is currently being prepared.

Areas/Wards and Neighbourhoods

Further development of the Council's approach to Areas Wards and Neighbourhoods were introduced on 1st October 2009. This includes;

1. Clarifying the role of Area Forums as business meetings of partners
2. An Area Forum Improvement plan which will include identification of a small number of key priorities and a targeted neighbourhood or cluster of neighbourhoods for intensive intervention by partners to address areas of complex need
3. Establishment of a regular meeting between the Area Cabinet portfolio holder and the ward members for the area
4. Establishment of a Senior officer team for the area to ensure progress is made on Area and Ward issues and to have a strategic overview of the Neighbourhood Management area
5. Establishment of a dedicated support officer to support ward members in their community leadership role
6. Establishment of a Local Community Fund to be directed by Ward members.

The ward support and local community fund arrangements are subject to monitoring and evaluation with further resourcing implications to be considered in the future.

Development & Enterprise

Design

Graphics

A key area of potential efficiency is rationalising the large number of separate commissions for graphic design services. These cover design work for leisure and central services within the Civic centre. This will include reducing the number of separate commissions for in-house services as well as examining the commissions that are currently outsourced to see if there is a better value way of dealing with them.

Civic Centre maintenance

Examine the way maintenance work is delivered within the Civic Centre and particularly the involvement of Design Services for the delivery of some routine maintenance work.

Advice to other Services.

Cut back where possible time spent on delivering advice to other services within the Council. This may include;

- Reduce advice to Building regulations
- Reduce advice and support for internal CAD programmes.
- Reduce contaminated land advice to developers by providing guidance that they can follow to ensure their proposals meet requirements.
- Reduce the time allowed for giving advice on Planning Applications
- Reduce the amount of time available for delivering advance design work to schemes prior to capital budgets being approved.

Economic Development

- The future of the Team Valley Business Centre is currently being reviewed due to a number of reasons. Although it has provide a useful base for small businesses over the last 23 years the building now requires substantial investment to bring it up to a decent standard and to meet the demands of businesses. The term of the lease comes to an end in February 2011 and it is proposed to reject the opportunity of renewing and therefore provide savings. This will require the occupants of the building to find new premises and the Economic Development Service will work closely with the tenants in order to achieve this. This would not affect staff that work at the Centre as it is hoped that they will be re-deployed within the Service.
- A new business model will be investigated to identify different approaches to delivering services. There may be an opportunity to reduce the management structure within the Service by contracting out particular pieces of work to external organisations. This would result in either redundancies or re-deployment. This may have a negative impact on the quality of those services provided and would therefore be a last resort if this was a concern.

Environment & Regeneration

- Reduction in activity and the number of staff working within the Countryside. This could involve less work with volunteers and fewer events or could involve a realignment of countryside teams involving staff currently within this service and staff within leisure services. An alternative approach to be explored could be the transfer of land within the Countryside to a third party who would manage it on behalf of the Council.
- Reduction in conservation activity and conservation staff. Reduction in activity would include the ending of heritage open days
- Stop supporting the clean Tyne project. This will have an impact on water quality and use of the Tyne. Other partners are likely to withdraw.
- Reduction of activity within area planning following reduction in staffing .Reduction in ability to produce action plan documents and respond to area challenges. Would also impact on open space improvements etc.
- Reduce programme management / performance management staff working on the Bridging Newcastle Gateshead project and other programmes.
- Reduction in staff working on Climate change issues.
- Reduction in staffing and stop non statutory activity within Private Sector Housing. This would reduce the capacity in areas such as selective landlord licensing, tenant support/vetting, landlord accreditation, bringing empty properties back into use and tackling antisocial behaviour in homes.

Property Services

- Cross service review of asset management arrangements across the Council as an element of the Fit for Future programme.
- Proposal to consider the future provision of a general office facility at the Stonehills complex. The general office, staffed by 4 officers, provides administrative facilities to a number of businesses and the general management of the site.
- Proposal to consider closing the managed workshop facility at the Stonehills complex. This is a large industrial unit which provides space to 40 small businesses with access to woodwork and metalwork machinery. The Workshops require significant investment to bring up to required standards.
- Proposal to consider the disposal of the Council's non operational property portfolio, which provides a net income of £1.5m per annum. The disposal via a Property Regeneration Partnership or Local Asset Backed Vehicle could realise a capital receipt and annual returns via profit sharing.

Regulatory Services

- Explore setting up a regional trading standards service.
- Reduce staffing in Building control to match decline in construction activity but this could lead to a loss of apprenticeships for building surveyors and less ability to respond to the increase in building work when the economy improves.
- Explore option to no longer have a pest control team.
- Consider no longer undertaking planning and highways enforcement. This could have a direct impact on statutory service. A poorer environment would result as no enforcement of planning or highways issues would take place. This could lead to poorer highway safety, more unauthorised adverts, development, skips and untidy land.
- Another option could be to no longer have dog warden's team. This could lead to increased dog fouling and stray dogs, a poorer environment and greater public health risk.

Review and Support

- Reduction of support provided.
- Possible consolidation of service with other Business Support functions elsewhere within the Council through Fit for Future.

Transport & Highways

- Further reductions in highway maintenance resurfacing programme.
- Reduction of school crossing patrol service.
- Reduction of maintenance of back streets.
- Reduction of street lighting patrols. Future plans include remote monitoring of street lights negating the need for mobile patrols, however in the shorter term repairing lighting failures will be responsive to enquiries only.
- Save energy by reducing street lighting levels in certain areas at certain times.

Learning & Children

Group-wide

1. Reconfigure the Group Management Team, potentially losing a further Head Of Service post.
2. Explore possibilities to create an integrated team for Children with Disabilities, beginning with a review of Management Structures. It should conclude on the potential fully to integrate all Children with Disabilities Services.

Access and Inclusion Service

1. Review staffing levels and reconfigure management structures. As we move towards greater inclusion such a review is needed. The risk, if this were rushed, would be a reduction in both management capacity and levels of service to support additional needs, just as the inclusion strategy needs embedding in all schools.
2. Three-year review of delivery models for all Access and Inclusion Services, including devolving more budgets and responsibilities to schools, and deciding what core service should be retained centrally. Resources would be devolved not delegated, and schools would be monitored on how they spend the resource and fulfil responsibilities.
3. Reduce home to school and college transport budget for children and young people with special needs. Whilst this service is a demand-led statutory responsibility, as the Special Educational Needs Inclusion Policy enables more children and young people to attend mainstream schools we should reduce it. Some risks are attached, as we may be subject to Ombudsman directives.
4. Reduce non-Dedicated Schools Grant (DSG) budget for the Behaviour Support Service as more Additionally resourced Mainstream Schools undertake their education. There is a risk of a reduction in levels of service.

Business Strategy and Support Service

(shared with Community Based Services, but all savings scenarios are shown in Learning & Children pages)

1. Reduce administrative support across Learning and Children teams where it is not at present part of Business Support. Workloads would need to be reassigned may not be capacity. Possibility to integrate Children with Disabilities Services.
2. Further Review of Business Support Functions including contributing lessons learned across Learning & Children and Community Based Services in recent years to the Fit for the Future Back Office services review across the Council. In order to achieve any further reductions a comprehensive review must be

undertaken. The Fit For Future review has the remit to look at consolidation of services. Further review of Business Strategy & Support Function.

Children, Families and Young Offenders Service

1. Review Family Support to achieve closer alignment to family support provided through targeted and preventative services. The review will examine the role of the Supporting Families Team, Family Centres, and how the linkages to Children's Centres and other provision will ensure families are still supported. The review would impact on social work and safeguarding services and would need to be done with care to ensure that by rationalising family support that demand for specialist safeguarding interventions are not increased.
2. Review Safeguarding Teams' processes and systems to identify how new technology can reduce costs in conferencing, reviewing processes and administration.
3. Reduce levels of service offered by Safeguarding and Care Planning Teams, Referral and Assessment Team and Looked After Children Social Work Teams. The reduction in this frontline provision would only be achieved through increased levels of risk in relation to safeguarding children.
4. Review the level of service provided by Youth Offending Team (YOT). This may result in the reduction in sessional work, loss of posts. This review may conclude that we need to provide a reduction in level of service to young offenders, and a reduction in YOT training. This would rely on continued increases in success rates for preventative services working to stop young people becoming offenders.
5. Relocation of Youth Offending Team. The co-location funding from Department of Children, Schools & Families, due to be spent during 2011, will enable us to move more services into the Civic Centre. It will also enable YOT workers, social care teams and the child protection team from the Police Area command to work more closely and efficiently together, as many client families are shared across these teams. This will release a small amount of savings on building costs for the team.
6. A review of accommodation provided for looked after children is currently being considered this would include a potential reduction in the number of residential beds and further investment in fostering which would release some savings.

Children and Young People Services

1. Review structures in area based teams. Reduce management positions, changing staff's roles and responsibilities as area based teams continue to mature. Combine the play development with the playbuilder post; and reduce by 3 the number of senior area workers..

2. Reduce preventative work, especially in the Youth Inclusion Programme. This would create a reduction in levels of service to young people at risk of offending in communities, and would need detailed consultation with the Youth Justice Board (YJB) which is the funding and reviewing body.
3. Ensure the service maximises, within the Council, the use of grant opportunities so as to reduce mainstream Council budget commitments. This would entail a reduction in work by partners, as we would no longer fund them but use grant funding streams internally. Risks of making these reductions include an increase in anti-social behaviour due to reductions in funding for and activity around tackling substance misuse, and in positive activities programmes run by others we grant aid, such as Aquila Housing and North East Council on Addictions (NECA.)
4. Review funding to grant funded projects in schools, and the voluntary and community sectors. This review would affect the Crèche mobile; Extended Schools; the work led by the Lyndhurst Management Committee; work at Way Out in Gateshead (WING;) the Whoops Child Safety project; some Jewish Community programmes; Bangladeshi Outreach Programme; some elements of the Teenage Pregnancy strategy; Gateshead Borough Youth Organisations Council; partners in the Youth Strategy; and those we grant aid through the Neighbourhood Social Fund and Positive Activities for Young People grant. The risks associated with such a far reaching review would be that there would be significant impacts on vulnerable children and young people and families who currently benefit from their activity
5. Reduce, or charge full market rate for, Active Kidz programmes. There would be an impact on outcomes for some children and young people, especially those referred from support services. Limited alternative providers exist in the commercial, voluntary and community sectors, some of which we could commission rather than continuing as a provider.
6. Review the Youth Support Service. This is already underway, seeking to rationalise delivery and identify efficiencies, including a review of how many settings we deliver from. Efficient and effective service delivery is being explored, and reduced costs.

Raising Achievement Service

1. Review the level of Raising Achievement Service (RAS) support to schools. Workloads would need to be reassigned and there may not be capacity to do this, given that a reduction in support would have to be achieved by a reduction in staffing levels. Such a review would also risk a decline in standards and educational achievement, as RAS's work can be traced as a significant contributor to Gateshead schools' many successes.
2. School Improvement trading Company to be set up, or seek to make the Council's trading company the vehicle through which RAS achieved its trading and income earning targets. The risk in this development is that the service may not achieve income levels.

3. Make the Dryden centre and the activities that take place there into a Charitable Trust, which would mean the centre would not pay National Non-Domestic Rates (NNDR.) Investment in the centre's facilities could progress faster through use of the cash saved to continue its development, enabling it to stage more events and courses, earn greater income, and cease to rely on any funding from the Council by 2013. This potential saving needs to be investigated thoroughly to see if it is viable, and whether savings would accrue to the DSG or the mainline budget, given how much of what Dryden earns is from schools budget shares.
4. Charitable Trust Status for Schools should be investigated thoroughly to see if it is viable, as it has already been developed in North Tyneside and is a means of ensuring schools do not pay NNDR and can therefore invest more in buying back services from the LA. However, as schools' funding is DSG, this would not be a saving on the mainline budget. There are two further risks: firstly, schools' non-payment of NNDR would in turn reduce income paid from central government to the Council. Secondly schools, whose budgets are also coming under pressure from reducing funding settlements, may choose not to buy back Council services.
5. Gateshead City Learning Centre to move premises from the current Watermark location, to a co-located base within a school. This needs to be investigated thoroughly, as previous models followed this pattern and the results were not necessarily positive. Facilities can become monopolised by the host school. Also, the budget needed for premises costs of an alternative site would reduce savings. Realising mainline savings would also be a challenge, as City Learning Centres are mainly grant funded.

Local Environmental Services

Construction and related services

Developing forward strategy for the delivery of construction and related services should take account of the continuing need to remain competitive as well as looking for innovative and efficient service developments. Areas that will require consultation reflect this general direction. The construction industry has been affected by the economic climate and new approaches to delivering building projects and services will need to be developed. To help maintain the viability of construction services the following scenarios are identified for consultation:

- a) **Introduce risk-based portable appliance testing (in 2011 / 2012) –**
Introduce a more efficient regime for portable appliance testing based on risk assessments to identify low risk appliances requiring less frequent inspections. This is an alternative to the current policy of 'blanket testing' all appliances on a regular basis. Corporate Health and Safety would be involved in communicating key messages.

- b) **Engage in regional collaboration for the procurement of highways materials (in 2011 / 2012) -** More efficient procurement of a range of highways materials through regional collaboration

Neighbourhood Warden Service

An integration strategy has been developed over recent years to bring together operational activities with an affinity with community safety, security and enforcement. The wardens and CCTV systems have provided valuable reassurance to communities and support to the police.

A key area for consultation would be to consider the future of the service and whether to:

- a) **Continue to develop more efficient working arrangements across the Neighbourhood Warden Service or significantly reduce or withdraw wardens and CCTV public space surveillance.** The scenario would be to introduce a series of modernised working arrangements across the integrated service, which are capable of delivering savings as well as reinvesting resources in front line roles. The process would have to start in 2010/11 to realise subsequent savings. The scenario also recognises wardens and CCTV public space surveillance as discretionary services the Council could terminate or significantly reduce.

Environmental operations and related service areas

A key area for consultation is around the service areas involved in maintaining the local environment:

- a) **Introduce a ‘stand-by’ only system for personnel deployed on winter maintenance** - Move to a system where identified employees continue to work normally but paid to standby and respond to callouts only.
- b) **Reduce levels of grounds maintenance operations** – which could include the review and reduction of the provision of hanging baskets and floral / shrub bed requirements, reduced display levels of roses and trees and a reduced requirement for horticultural equipment.
- c) **Seek to reduce the cost of refuse and recycling collection through exploring alternatives to current arrangements.** This could include the introduction of collections on a zoned, or fortnightly basis.
- d) **Seek to reduce the cost of mechanised street cleansing arrangements** - Reductions of the levels of equipment and manpower deployed on street cleansing.
- e) **Seek to reduce the costs of Household Waste Reception Centres by operating with only one.** Close both existing Household Waste Reception Centre's (Cowen Road and Campground) and invest capital in a new strategic facility in the Borough.

Building Cleaning

An area for consultation concerns the level of cleaning activity and associated standards in Council buildings:

- a) **Reduce cleaning levels in targeted areas in Council buildings** - Reduce cleaning frequencies in targeted areas to produce a saving of 10% on the current level of charges.

Transport

An area for consultation concerns the means by which the Council meets its need for operational transport:

- a) **Explore alternative arrangements, such as leasing, for the supply of light fleet vehicles** - The scenario seeks to consider alternatives to the current practice of purchasing vehicles outright and depreciating them over their useful economic life. The process would have to start in 2010/11 to realise subsequent savings.

School Meals

A key area for consultation is around the actual cost of the provision of school meals:

- a) **Seek to reduce the cost to the Council for the provision of school meals** – The scenario would be to transfer responsibility for providing school meals directly to schools.

Central Services

Efficiency savings in the future will be delivered primarily through the 'Fit for Future' programme, described in **Section 4**.

Communications, partnerships and external relations

A key area of efficiency which will require consultation is communications, partnership activity and external relations. Activity which could be reviewed in future years includes:

- External communications (e.g. Council News)
- Partnership activity (e.g. Gateshead Strategic Partnership) and policy support
- Review and consolidate support to communities (grants and awards)

Customer Services

Excellent customer services is a priority for the Council. The Fit For Future Programme described in Section 4 could deliver further efficiencies in customer services, whilst retaining a service which meets the needs of our customers. Activities could include:

- Reduced number of Council buildings
- Integrated customer service activities
- 21st Century working practices including better use of ICT and leaner processes

Financial Management

Consolidation of finance support across the Council will allow efficiencies to be made in the areas of budget monitoring, financial advice and risk management as part of the strategic 'back office' business model.

The amount of Internal Audit work will also need to be considered. The level of reduction will need to take into account the amount of risk the Council is prepared to take in having reduced reliance on audit work.

Financial Services

Further development of transactional financial systems will allow efficiencies to be achieved.

The work of the Student Support Section will cease in 2011/12 following the transfer of responsibility to the Student Loans Company.

Consolidation of the 'front office' through 'Fit for Future' will assist in achieving efficiencies in Customer Services supporting council tax and the benefits service. Proposals will also be developed around the frontline delivery of council tax collection and benefit processing, which carry the risk of reducing collection of council tax and increasing the number of days to process benefit claims. Better use

of technology will need to be considered to partially offset the potential impact on performance.

Information and Communications Technology (ICT)

Through the 'back office' model, proposals will need to address the level of support to services to develop new technology solutions. There will be a trade off between reductions in this area and the need to develop better use of technology to achieve efficiencies across the Council.

Other proposals will need to take account of the risks of reductions in support for the Council's computer network. Efficiencies will be proposed which carry the risks of reduced resilience of computer systems and the computer network infrastructure.

Section 7: Capital Investment

Background

Capital investment is spending on upgrading existing assets, such as leisure centres and schools or providing new assets which can be used to deliver services.

The capital programme in 2009/10 is currently £192m.

The programme is funded by:-

- Supported borrowing
- Prudential borrowing
- Capital receipts
- Capital grants

Over the next 3/5 years, all of the above sources of funding will be under pressure. Supported borrowing which attracts revenue grant support is mainly funding major improvements to the Council's housing stock which will be complete in 2011/12, capital receipts have dried up as a result of market conditions and capital grants, regionally, nationally and European are starting to become more difficult to secure. This leaves prudential borrowing as the main source of capital funding into the future.

Prudential Borrowing

The Council can borrow without government approval, as long as it can afford to do so. Affordability is based on the ability to support borrowing with an ongoing income stream.

Prudential borrowing to support improvements to the housing stock and the provision of new houses will continue to be supported from what is called the Housing Revenue Account, subject to affordability. This Account is ringfenced to spending on the housing stock, and is funded from rents and government grant. The ongoing cost of all other prudential borrowing falls on the Council's budget.

Capital Programme

As well as a programme of ongoing investment, the Council and its partners are currently considering a number of potential investment projects which could be supported by prudential borrowing. Under these two headings, current proposals are as follows:-

Ongoing investment requirements

- Carbon Management Programme (including street lighting)
- Gateshead Town Centre
- Kerbside recycling
- Vehicle replacement
- Disabled adaptations
- Community Centre Review
- Building an Active Future (new and remodelled leisure centres and pools)
- Gateshead International Stadium
- Central Library
- Northern Design Centre
- Programme of investment in existing buildings, including
 - Civic Centre Workspace Strategy
 - Health and Safety Programme
 - Disabled access to Council buildings
 - Strategic maintenance

Major potential schemes

- Fit for a City – feasibility of the Council's plan to regenerate the wider Gateshead Town Centre including the removal of the elevated highway
- International Conference and Exhibition Centre at Gateshead Quays
- Old Town Hall – further restoration
- Starter for Ten – space for creative businesses
- Chopwell Masterplan implementation
- Housing Joint Venture – acquisitions, site investigations to deliver 2,250 new houses
- Cowen Road Waste and Recycling Centre
- Windmill Hills Centre

Further refinement of these proposals, including indicative costs, will take place over the next few months to inform the setting of the capital programme and the revenue cost of supporting the prudential borrowing.

Revenue Costs of Investment

Broadly the ongoing revenue costs of prudential borrowing are about 9% a year of the investment costs or each £1m prudential borrowing has to have revenue support of £90,000 a year.

If all of the above capital investment was supported, the additional revenue cost would be as follows:-

	2010/11 £m	2011/12 £m	2012/13 £m	Total £m
1. Ongoing investment requirements	2.8	2.5	2.2	7.5
2. All proposals	4.8	4.5	3.5	12.8

This table illustrates that budget savings of between £7.5 million and £12.8 million will need to be found over the next three years to support capital investment. The level of investment will depend on the affordability of prudential borrowing in relation to other spending pressures on the Council's budget.

Section 8: Fees and Charges

Background

The Council raises about £32 million a year from fees and charges. This is around 6% of the total revenue budget.

Types of Charges

There are five types of services which can be charged for. These are:-

- Statutory services delivered locally, but where charges are set nationally such as planning applications and some licence fees.
- Statutory services delivered locally and charges set locally, such as car parking and some social care charges.
- Discretionary services where charges are set to recover costs such as leisure centres.
- Discretionary services provided where there is no current charge, such as pre planning application advice.
- Opportunities to deliver new discretionary services with a charge.

Review of Fees and Charges

The Council's Medium Term Financial Strategy recognises the strategic importance of fees and charges generating income to deliver priorities. It also recognises the need to review existing and potential fees and charges and establish a policy framework.

The current review will achieve:-

- a framework to underpin decisions on fees and charges
- more transparency on the relationship between the costs of services and recovery of income
- a fees and charges policy which will be reviewed annually.

A set of draft principles for a fees and charges framework have been developed and are being refined. The draft key principles are:-

- Charging policies should support the achievement of the six big ideas in Gateshead's Vision 2030.
- Levels of subsidy and concessions will be used to achieve specific targets and outcomes will be evaluated.
- Raising additional income will be secondary to establishing the best price for each service.
- Discretionary charges will cover the cost of services or where possible charges will be on a commercial basis.
- Collection of fees and charges will be efficient and practical for service users.
- Consultation on changes to the level of charges will take place with residents and service users.

- All charges will be reviewed annually to ensure they are consistent with meeting the Council's priorities.

Proposals for Fees and Charges

Many fees and charges in Gateshead are low compared to other areas in the North East. To support the delivery of frontline services, some proposals are being developed to introduce new charges and increase existing charges. These include:-

- Pre planning application advice
- Traffic regulation orders
- External funding guidance for bidders
- Advertising on the Council's website and in Council News
- Credit card payments fee

Other budget proposals are seeking to increase income from trading services with other local authorities and partners as set out in **Section 5** of this consultation document.

Section 9: Consultation Arrangements

We will be consulting with all interested parties, including councillors, local residents, the voluntary and community sector, the business sector, trade unions, schools, members of the Gateshead Strategic Partnership.

We have not made any decisions yet. We want to hear your views. There are a number of ways in which you can get involved.

- **Public consultation events**

We will be holding two public consultation events in January. More details on these are available from the address below.

- **Web**

Members of the public will be able to complete a questionnaire about budget priorities, which will be on the Council's web site at www.gateshead.gov.uk.

- **In Writing**

We welcome written responses to our budget proposals, which should be submitted to the address below.

Key dates

Initial consultation period 5 November – 8 January 2010

Cabinet agrees draft budget – 19 January 2010

Further consultation up to 5 February 2010

Council agrees final budget – 25 February 2010

Full details of all consultation arrangements are available from the address below.

Comments on the spending proposals should be submitted to:

Chief Executive's Office
Gateshead Council
Civic Centre
Regent Street
Gateshead Council NE8 1HH
Tel: 0191 433 3000
Fax: 0191 433 3536

Email: viewpoint@gateshead.gov.uk

This document is available in large print on request.