

Working with you to shape Stirling's future

Draft Report - November 2013

Priority
BASED BUDGETING



Executive Summary

Context

According to a number of external sources, Local Authorities in Scotland will require to generate significant savings in real terms over the next five years. Provisional grant figures have been published by the Scottish Government for the years 2014/15 and 2015/16, and together with the council's assumptions about grant for the years 2016/17 to 2018/9, it is forecast that savings of £29.06M will be required over that five-year period. The level of cost reduction has to be set against a background of the Council's current revenue budget of £201.649M, with £22.081M in savings having been removed from that budget over the last 3 years.

In order to realise savings of this scale and continue to deliver high quality services, the Council will have to engage staff, partners, stakeholders and citizens to determine the nature of service delivery, the level of service standards and the method of delivering these services.

The Council now intends to introduce a Priority Based approach to setting its 5-year Budget and Business Plan, with the express view of utilising public engagement to prioritise the services to be delivered and to identify those services which will no longer be funded. This report outlines how the Priority Based Budget approach will work, what options the Council is at this stage, considering as part of its 5-year programme to generate the required budget savings, and also which options have been

considered but are currently not included as part of the current proposals.

The options that have been put forward at this stage, and as contained in this report have been prepared by the Council Management Team and not the Council, and form the starting point for engagement with our communities and stakeholders. The report highlights how we intend to engage with our communities and stakeholders to ensure that the Priority Based Budget approach is fully open and transparent. This will then allow the Council to review options before setting the budget, after taking consideration of feedback received as part of the process.

Executive Summary

Update on Financial Position

The current position regarding expected funding, and projected expenditure based on the Council budget as approved in February 2013 is as follows:

Draft Budget Position	£'000 2014/15	£'000 2015/16	£'000 2016/17	£'000 2017/18	£'000 2018/19
Funding	(201,725)	(201,914)	(200,583)	(199,252)	(197,921)
Projected Spend	203,927	208,241	216,033	221,703	226,981
Indicative Shortfall as at November 2013	2,202	6,327	15,450	22,451	29,060
Draft Savings Options Identified (cumulative)	(4,172)	(8,405)	(10,839)	(12,142)	(12,789)
Shortfall/(Surplus) after Savings Options Taken	(1,970)	(2,078)	4,611	10,309	16,271
One off Investment Required *	1,970	1,800	630	530	140
Draft Budget Position	0	(278)	5,241	10,839	16,411

* In many cases, some one-off expenditure will be required to deliver the savings options identified.

Following the Council Management's Team Corporate Round Table held on 23rd October, a range of Service Options has been identified which, if approved by Council, will produce a draft budget position as noted above. The options were considered and prioritised against the background of the Council's key priorities as approved in October 2012. A copy of the Council's Strategic Policy Objectives is contained in Appendix 1.

The purpose of the engagement process over the next 2 months will be to provide an opportunity to refine the draft budget prior to its approval by Stirling Council in February allowing the Council to consider the views of stakeholders.

Council will be asked to approve the 2014/15 General Fund Revenue Budget in February 2014. This will set the revenue budget for 2014/15 and the provisional budget for the following 4 years, including the approval of Service Options which it is intended will deliver some of the necessary savings across the 5 year period. The Council will also set the processes in place to deliver the approved Service Options over the next 5 years through an established Programme Management Office. Where any shortfalls in options occur these will be filled by further Service Options as part of the update of the rolling 5 year programme which will also be amended to reflect any potentially significant changes to funding levels over the period. The rolling 5-year programme will also need to identify additional Service Options to close the remaining budget gap from 2016/17 onwards.

As part of the challenge process at the Corporate Round Table, the Council Management Team (CMT) examined the underlying principles and assumptions, which would place cost growth pressures on the next 5 years budget, and have applied a risk based approach to managing this cost pressure over the 5 year period. To manage this it is proposed to create a risk fund which captures these potential cost pressures. These cost pressures will then be cash backed – that is, funding will be identified to meet the potential costs should they arise, but access to this funding will be subject to strict governance arrangements. The management of this risk fund, or contingency, will be a core part of the Priority Based Budget process.

A review of the growth items was carried out as part of the Corporate Round Table with each proposed growth item examined to consider its likelihood of occurrence and potential financial impact. From this analysis an assessed risk fund covering the 5 year budget period has been identified. The growth items included within the risk assessment were:

- Big Noise Raploch – Aspirational Plan
- Increase in Secondary School Population
- Increase in Primary School Population
- PPP Contracts – Impact of Benchmarking
- Adults with Disability – Demand Increase
- Growth in Demand for Support for Older People
- Development of Supported Lodgings Scheme
- Children and Young People’s Bill – Kinship
- Care Order

The draft Risk Fund identified was:

	£'000
2014/15	772
2015/16	1,211
2016/17	1,821
2017/18	2,346
2018/19	4,302



Using this Report

Context and Approach - Background to the Council's Financial Position and an Overview of the Priority Based Budget Process.

Stirling Council Consolidated Summary – An overview of the current budget position by Service, the future budget pressures and the proposed Service Options that have been included at this stage in the draft budget.

Service Options – A listing of the Service Options that have been put forward by each Service and which have been included in the draft budget at this stage.

Dependencies – Background on the dependencies that will exist between the options being proposed.

Next Steps – Outlining the next steps to be taken by the Council, including what will happen next in terms of engagement with communities and stakeholders and how this will interact with the budget setting process.

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Section 1

CONTEXT AND APPROACH

Section 1: Context and Approach Overview

In 2013, the future funding challenge faced by the Council requires a more programmed approach to ensure funds are allocated to deliver agreed prioritised service outcomes. A priority based budget (“PBB”) approach is therefore being adopted to determine future service and cost commitments to bridge the 5-year funding gap. This is the first year of PBB approach to budget setting.

Stirling Council has:

- Has delivered £4.04M of savings in 2012/13
- Is delivering £8.61M savings in 2013/14

However:

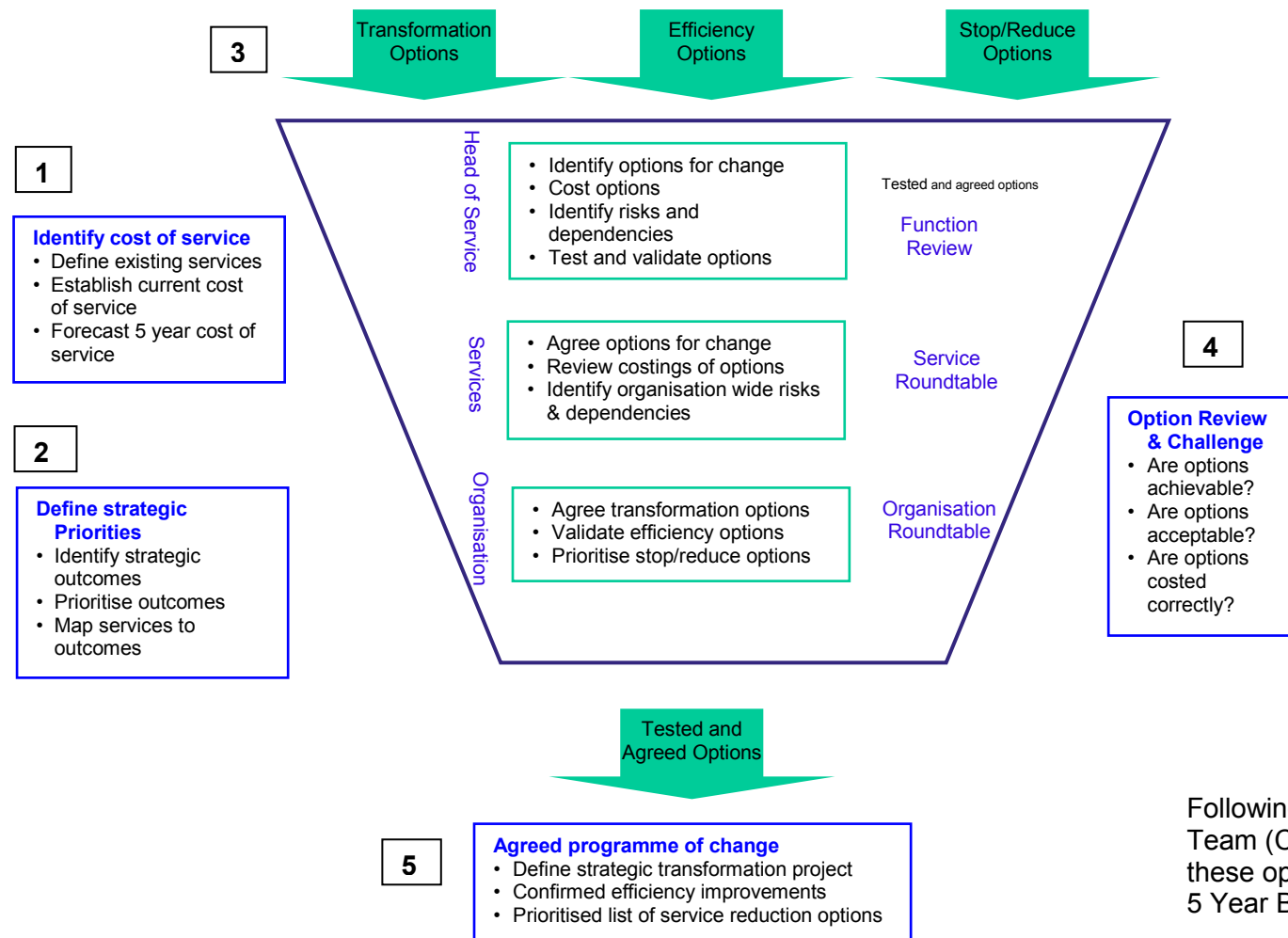
- Expectations and demand for services continues to increase
- Changes in legislation and pension cost pressures will add to costs
- The cost of services is forecast to increase by approximately 13.7% over the next 5 years while the funding available to pay for services is expected to fall by 2.0%
- This funding gap is currently estimated to be £29.06M in 5 years

The following are key elements of the priority-based approach (summary set out on the next page):

- Prioritisation of the Council’s desired outcomes and linking the priorities to gain an understanding of services which contributed most and least to the organisation’s goals.
- Establishment of the current and future costs of services and greater transparency of the drivers of costs and income.
- Development of a range of options to address the funding gap over the next 5 years.
- Review of all Council Services during the project. Options are identified and reviewed in collaboration with Heads of Service and Service Managers.
- Service Representatives and Service Accountants provided rigour on assumptions and financial modelling during the process.
- As part of the scrutiny of the growth areas of the budget the Corporate Management Team did not consider it prudent to put forward specific Service Options to meet future cost pressures given this scenario. In preference a risk-based approach to the 2014/15 priority based budget has been applied and will be used in future years. The Council has a risk fund which captures these potential cost pressures. These cost pressures are to be cash backed – that is, funding will be set aside to meet these potential costs but access to this funding is subject to strict governance arrangements.

Section 1: Context and Approach

Overview of PBB Process



1. Understand the significant areas of spend and forecast the cost and demand pressures.
2. Understand how services contribute to the organisation's strategic priority outcomes. Map costs to priorities and understand where marginal decision are needed.
3. Develop transformation, efficiency and stop/reduce options for reducing expenditure.
4. Test the feasibility and benefits or each option throughout the process.
5. Agree a Service package of transformation, efficiency and stop/reduce options to take forward which are then prioritised against outcomes.

Following discussion by the Council Management Team (CMT) and approval by Elected Members, these options will then be translated into the updated 5 Year Business Plan and Budget

The development of Service Options was an iterative process at Head of Service and organisational level. Options evolved and were filtered out during each stage of review.

Section 1: Context and Approach

Definition of Option Categories

Service Options were categorised into three groups to compare options across Directorates and facilitate decision making at the Corporate Roundtable

A. Transformation Options

Options which change the nature of the service delivery.

This relates to opportunities that will achieve material benefits to the Council but will require additional one-off resource and planning to achieve the stated savings.

B. Efficiency Options

Options that do not change the nature of the existing service, but focus on it being delivered more efficiently and effectively.

Some of these options may have barriers to immediate delivery. For example, the current grant settlement from the Scottish Government limits the Council's ability to make efficiency savings through reducing teacher numbers. This restriction may be removed in March 2015.

C. Stop/Reduce Options

Options that stop or reduce the level of service provided or reduce the number of clients it is available to. Stop/Reduce also includes options to increase Fees & Charges by more than inflation, or to introduce new charges for services.

Stop/Reduce options were ranked in the context of the Council's key priorities. Those with the lowest ranking against the Council priorities are taken forward.

Wherever possible Transformation and Efficiency Options will be taken forward as part of the Priority Based Budget process in preference to Stop/Reduce Options.

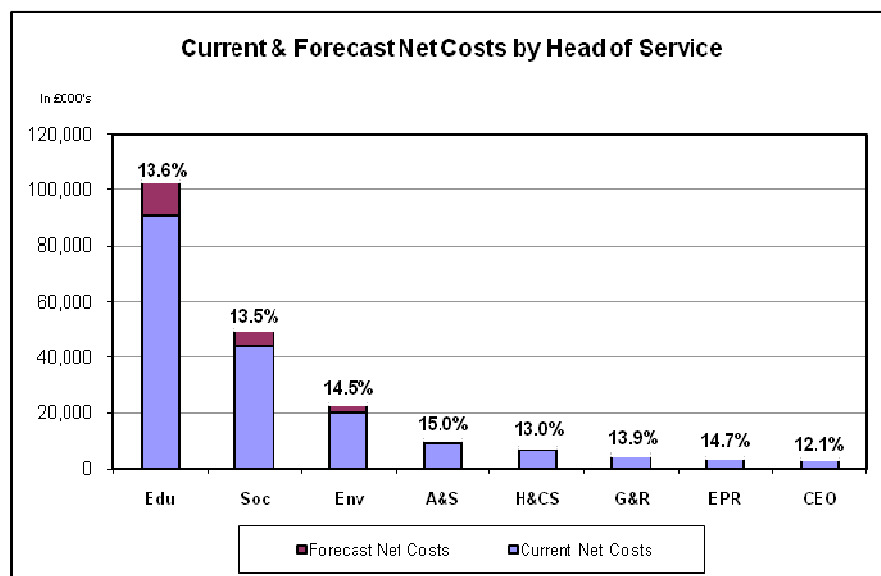
Section 2

**STIRLING COUNCIL
CONSOLIDATED SUMMARY**

Section 2: Stirling Council Consolidated Summary

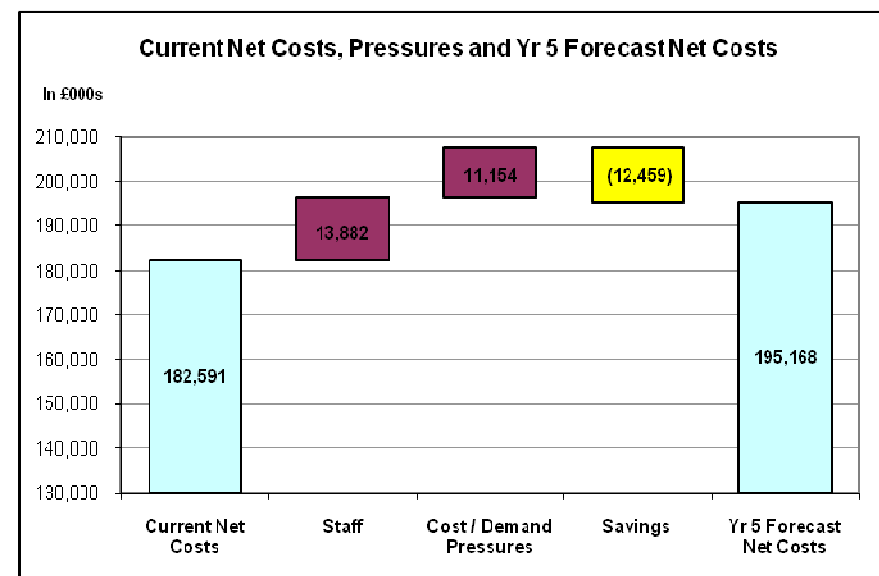
Current and Future Cost of Services

The 2013/14 net cost of all Stirling Council services is £182.591M. These figures exclude some central costs, especially debt servicing charges. This cost is forecast to rise by 13.7% to £207.627M by 2018/19. Savings options proposed will reduce this rise to 6.9% or £195.168M.



Social Services along with Education and Sport account for 74% of SC's total net costs.

The net costs of these two Services is forecast to increase by £18.3M by 2018/19.



The cost pressures that will impact on services over the next 5 years are:

- Continued inflationary pressures within the economy
- Staff pay awards have been incorporated into Service cost pressures
- Demographic changes causing an increase in demand for services
- Increasing costs of externally commissioned services
- Increase in pension costs arising from a variety of factors.
- In addition to the service cost pressures noted above it is estimated that Government Grant will reduce by £5.187M over the 5 years. This will be partially offset by additional Council Tax due to new houses, estimated at £1.163M.

Section 2: Stirling Council Consolidated Summary

Summary of consolidated savings proposed

The following table summarises the Service Options which are now proposed to be delivered as part of the 5 year Business Plan and demonstrates the Council's commitment to implementing a fully-costed business plan over the medium term. Section 3: Service Options shows the individual Service Options over the 5-year period.

PROPOSED OPTIONS	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Education Services	610	1,170	1,514	1,617	1,765
Social Services	1,237	2,545	3,085	3,750	3,900
Environment Services	844	1,713	2,080	2,432	2,715
Economy, Planning & Regulation Services	155	628	705	706	706
Housing & Customer Services	501	607	758	790	814
Assets & Support	224	602	1,179	1,265	1,315
Governance & Resources	214	378	389	419	424
Chief Executive's Office	82	457	749	808	820
TOTAL PROPOSED SERVICE OPTIONS	3,867	8,100	10,459	11,787	12,459
Corporate Options	305	305	380	355	330
TOTAL PROPOSED OPTIONS	4,172	8,405	10,839	12,142	12,789

In considering Service Options put forward the Council Management Team rejected a number of options. The rejected options are listed in Appendix 3 of this report. A small number of Service Options were considered to require further work and these have been included in a separate table in Appendix 2. These options will be built into the process once this work is completed. Also some Options appear but without any savings figures identified. These are options which the Council Management Team are confident can deliver savings, but where the savings have yet to be quantified.

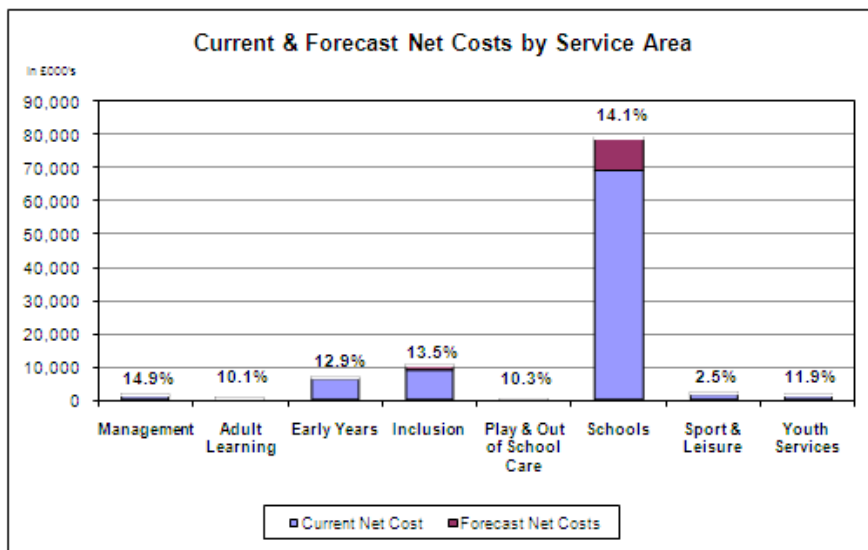
Section 3

SERVICE OPTIONS

Section 3: Service Options

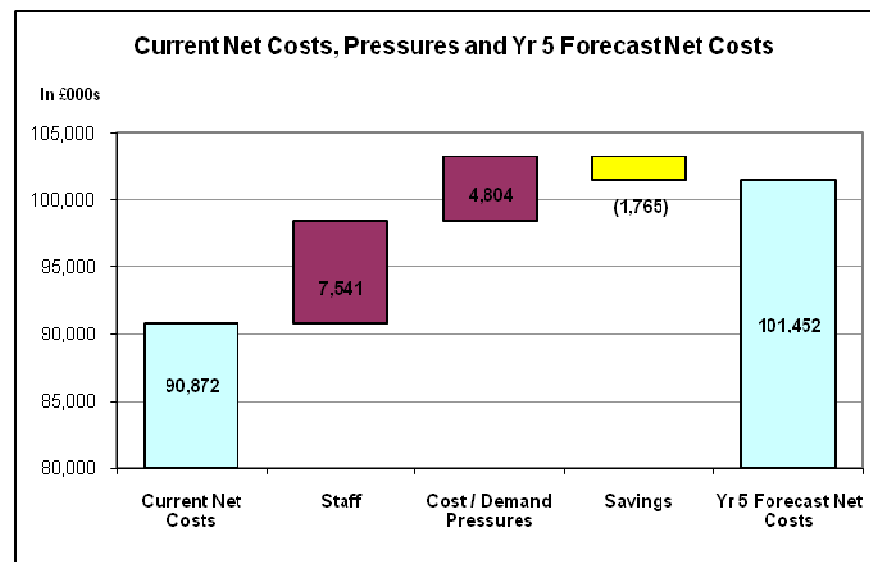
Education Services: Cost of Services

The 2013/14 net cost of Education Services is £90.872M. This cost is forecast to rise by 13.59% to £103.217M by 2018/19. Savings options proposed will reduce this rise to 11.64% or £101.452M.



Education Services, account for almost half of current net Council revenue costs (49.77%) and has the largest 5 year forecast cost pressures (£12.345M).

The effect of the entire forecast cost pressures will be a slight increase in the proportion of total net costs incurred by Education Services from 49.77% to 51.98%



The cost pressures that will impact on Education Services over the next 5 years is driven by:

- Rising staff costs
- An increase in demand for services due to changing demographics and rising instances of Additional Needs
- General inflationary pressures.

Section 3: Service Options

Education Services: Transformation Options

The Service has identified the following Service Options which have been included in the draft budget:

1. Transformation Options 0.4M
2. Efficiency Options 0.6M
3. Stop/Reduce Options 0.8M
4. Total 1.8M

Reference	Transformation Options Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
EDU009	Increase Shared Services - Youth Services	0	37	74	74	74
EDU072	Review Governance Arrangements for Shared Services	0	0	0	0	0
EDU012	Re-design Income Generating Creche, Play & Out of School Care Services	5	7	10	10	10
EDU044	Closed Campuses for all Secondary Lunchtime Provision S1 to S3	0	50	50	50	50
EDU079	Re-design of Adult Learning Services	22	49	71	90	148
EDU080	Re-design of Youth Services	18	60	119	131	143

Section 3: Service Options

Education Services: Efficiency Options

Reference	Efficiency Options Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
EDU014	Re-Design of Fallin Out-of-School Care Service	23	23	23	23	23
EDU016	Move Alsorts to a self-sustainable funding basis	39	39	39	39	39
EDU017	Move Playhaven to a self-sustainable funding basis	10	10	10	10	10
EDU018	Re-design of Psychological Services - Shared Services	20	30	30	30	30
EDU028	Re-Design Speech and Language Therapy - Service Level Agreement	0	50	50	50	50
EDU029	Re-design to Inclusion Support Workers - Social, Emotional and Behavioural Needs	18	18	18	18	18
EDU030	Social Emotional Behavioural Needs Service - Income Target	22	22	22	22	22
EDU043	Increase in Secondary School meal income through Online Payment Facility	0	17	58	117	183
EDU046	Review of Breakfast Club Provision to increase uptake	0	1	2	2	2
EDU048	Review of Grant/Funding to External/Third Sector Bodies	7	7	7	7	7
EDU050	Review of Active Stirling Co-ordinators	37	37	37	37	37
EDU051	Re-negotiation of Active Stirling Service Level Agreement	108	108	108	108	108
EDU052	Re-negotiate McLaren Leisure Centre Service Level Agreement	0	20	20	20	20
EDU082	Maximise Group Lessons for Music Tuition	8	12	12	12	12
EDU083	Review of Allocation of Primary Support Staff	0	0	0	0	0
EDU087	Increase in Primary School meal income through Online Payment Investment	0	3	10	23	35

The Education Service put forward a number of Service Options which would require a reduction in teacher numbers. The Council's ability to reduce teacher numbers is currently severely restricted by the terms of the Scottish Government Grant Settlement, and therefore these options have not been included in the Draft Budget, but are listed in Appendix 3.

Section 3: Service Options

Education Services: Stop/Reduce Options

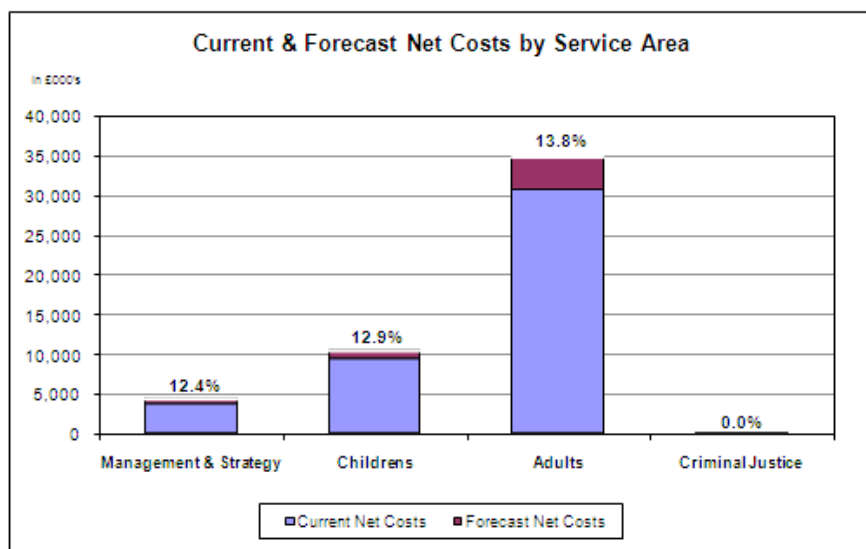
Reference	Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
EDU019	Shared Educational Psychological Service	0	0	35	35	35
EDU020/ EDU021/ EDU022	Review or withdraw from commissioning - Therapy Services	22	32	32	32	32
EDU034	Early Years - Withdrawal of Free Fruit in Pre-School	14	14	14	14	14
EDU035	Increase Nursery Fee Charges	50	50	50	50	50
EDU040	Increase Charges for Music Tuition Scheme to a single charge rate	40	40	40	40	40
EDU042	School Meal Price Increase - 5% increase	45	45	45	45	45
EDU049	Reduce School Mail Run Service	10	10	10	10	10
EDU054	Withdraw Visiting Specialist Teachers - Music	0	99	158	158	158
EDU055	Withdraw Visiting Specialist Teachers - PE	0	130	210	210	210
EDU066	Reduce School Budget - Transitions	19	30	30	30	30
EDU067	Stop Primary Swimming Programme	55	90	90	90	90
EDU076	Close Fintry Nursery Class	18	30	30	30	30

It is always assumed that Stop/Reduce options are undesirable and inclusion of these options is dependent on the size of the funding gap and the savings that can be achieved from transformation and efficiency options. Stop/Reduce options have only been included if the other options have not enabled the budget gap to be closed.

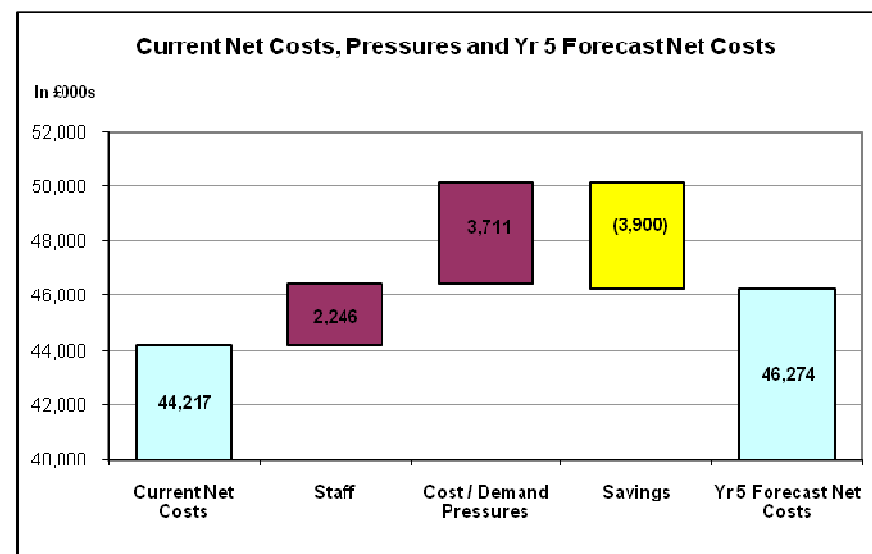
Section 3: Service Options

Social Services: Cost of Services

The 2013/14 the net cost of Social Services is £44.217M. This cost is forecast to rise by 13.47% to £50.174M by 2018/19. Savings options proposed will reduce this rise to 4.65% or £46.274M.



Adults Services, including Older People, Physical Disabilities, Learning Disabilities and Mental Health accounts for by far the largest share of the Service budget (£30.9M) with Services for Children accounting for £9.4M, and Management and Strategy £3.9M.



The cost pressures that will impact on Social Services over the next 5 years are driven by:

- An increase in demand for services due to an ageing population and changes in legislation
- Rising staff costs
- Other inflationary pressures, including provider cost pressures

Section 3: Service Options

Social Services

The Service has identified the following Service Options which have been included in the draft budget:

1. Transformation Options 3.3M
2. Efficiency Options 0.3M
3. Stop/Reduce Options 0.3M
4. Total 3.9M

Social Services: Transformation Options

Reference	Transformation Options Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
SOC001	Redesign of Services - Maximising community support and individual choice	346	728	764	764	764
SOC002	A review of commissioning activity in Adult and Childcare social work	100	200	332	465	465
SOC006	Review of Workforce following Adult Services Redesign	60	180	240	490	490
SOC007	Health and Social Care Integration	0	100	100	100	100
SOC008	Reshaping Care for Older People - Review of Care Home Provision	65	86	211	211	211
SOC009	Internal Learning Disability Service Re-design	77	154	230	230	230
SOC010	Roll out of Reablement for Under 65s	45	128	209	292	442
SOC015	Review of Services for Individuals with a Disability	25	50	50	50	50
SOC019	Shared Social Services: Childrens Services Workforce Redesign	20	80	110	309	309
SOC020	Transformation of Delivery of Family and Parenting Support Services	25	50	50	50	50
SOC021	Review of Foster Care Provision and External Placements	0	35	35	35	35
SOC024	Shared Services: Youth Justice and Early and Effective Intervention	0	100	100	100	100
SOC029	Review of Equipment Services	0	38	38	38	38

Section 3: Service Options

Social Services: Efficiency Options

Reference	Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
SOC004	Shared Social Services: Assessment & Care Management	191	191	191	191	191
SOC005	Shared Social Services : Adult Provision	25	25	25	25	25
SOC018	Shared Services: Childrens Services Management Structure	23	69	69	69	69

Social Services: Stop/Reduce Options

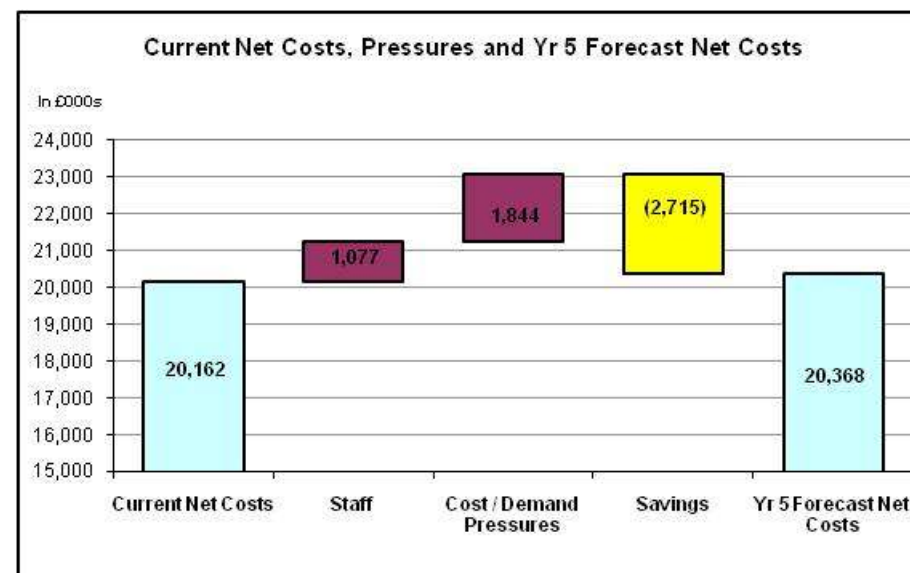
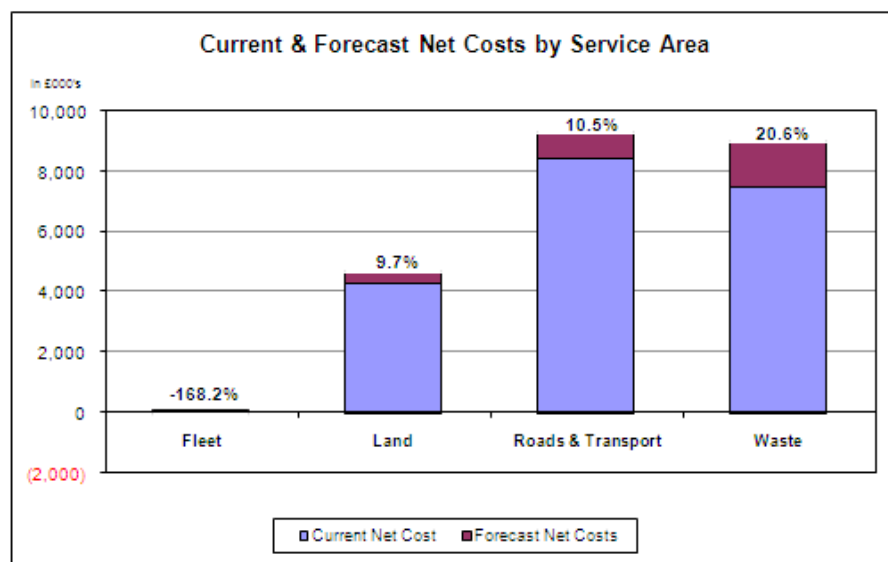
Reference	Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
SOC012	Mobile Emergency Care Services - Increased weekly charge	11	21	21	21	21
SOC013	Charging Full Cost for Meals Services	23	23	23	23	23
SOC014	Review of Sensory Centre	50	100	100	100	100
SOC016	Review and Reduction of Respite Provision - Adults / All Care Groups	60	60	60	60	60
SOC025	Children's Services - Review of transport provision	8	17	17	17	17
SOC026	Adult Non Residential Charging Policy - Increase taper to 100%	83	110	110	110	110

It is always assumed that Stop/Reduce options are undesirable and inclusion of these options is dependent on the size of the funding gap and the savings that can be achieved from transformation and efficiency options. Stop/Reduce options have only been included if the other options have not enabled the budget gap to be closed.

Section 3: Service Options

Environment Services: Cost of Services

The 2013/14 the net cost of Environment Services is £20.162M. This cost is forecast to rise by 14.49% to £23.083M by 2018/19. Savings options proposed will reduce this rise to 1.02% or £20.368M.



Environment Services has a current budget of £20.2M, the largest budgets being for Waste Collection (£6.2M) and Roads Repair and Maintenance (£4.8M).

The cost pressures that will impact on Environment Services over the next 5 years are:

- Projected increases in Landfill Tax
- Increased fuel costs for vehicle operation
- Projected increases in staff costs
- General inflation

Section 3: Service Options

Environment Services: Transformation Options

The Service has identified the following Service Options which have been included in the draft budget:

1. Transformation Options 0.5M
2. Efficiency Option 0.6M
3. Stop/Reduce Options 1.6M
4. Total 2.7M

Transformation Options		Value (£)				
Reference	Option description	2014/15	2015/16	2016/17	2017/18	2018/19
ENV009/ ENV039/ ENV061	Alternative Service Delivery Models – Waste, Land and Roads Maintenance Services	0	0	0	106	252
ENV012	Transfer Street Cleaning Service to 7 day operation	0	51	51	51	51
ENV025	Fleet Management – Shared Services	21	42	42	42	42
ENV045	Introduction of Decriminalised Parking (including Sunday Parking Charges)	0	0	68	51	61
ENV049	Transfer Roads Project Team to full cost recovery model	58	58	58	58	58

Section 3: Service Options

Environment Services: Efficiency Options

Reference	Efficiency Options Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
ENV004	Introduction of mandatory recycling	0	14	14	14	14
ENV010	De-watering of street cleaning waste	40	40	40	40	40
ENV014	Increase the number of wild flower planting areas	0	0	20	25	50
ENV022	Reduction in Fleet Car Hire Across Council	15	30	30	30	30
ENV024	Implement home to work travel policy (Corporate)	30	35	35	35	35
ENV027	Capital Investment - Street Lighting Energy Efficiency	0	81	162	243	324
ENV032	Rationalisation of Road Gully Cleaning	0	40	40	40	40
ENV053	Restructure of Road Improvement & Development Teams	14	29	29	29	29
ENV054	Reduce Council Owned City Centre Car Parks	(7)	0	0	5	26
ENV056	Introduce Backshift Working to Waste Collection Service	2	23	23	23	23
ENV058	De-watering of road gully waste	0	10	10	10	10

Environment Services: Stop/Reduce Options

Reference	Stop/Reduce Options Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
ENV001	Reduce grey bin collection frequency to 4 weekly	47	367	367	367	367
ENV005	Introduction of road end collection policy	0	0	35	60	60
ENV013	Reduce open space (including Play Areas) asset burden	0	0	10	32	32
ENV017	Reduce the number of formal flower beds	0	0	20	20	20
ENV020	Stop treatment of invasive plant species	10	10	10	10	10
ENV021	Reduce the frequency of grass cutting to 15 cuts per year	37	37	37	37	37
ENV030	Reduce Flood Study Programme	0	72	205	205	205

Section 3: Service Options

Environment Services: Stop/Reduce Options (Cont)

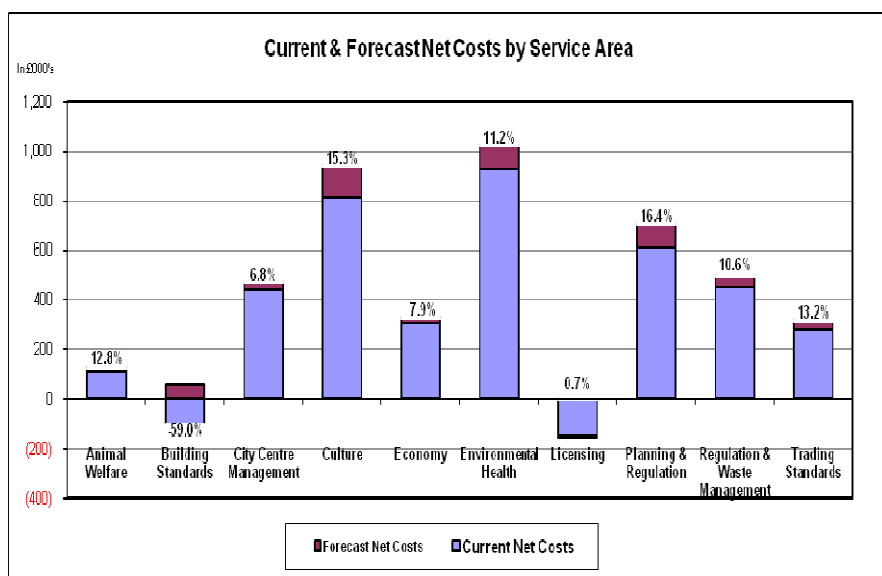
Reference	Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
ENV031	Reduce Bridge Maintenance Programme	77	77	77	77	77
ENV033	Capitalisation of drainage works associated with road improvements	200	200	200	200	200
ENV043	Reduce Brown Bin Collection to 4 Weekly till Year 4, then Introduce Charge	33	150	150	275	275
ENV048	Review Park and Ride sites	49	49	49	49	49
ENV051	Reduce RI&D Maintenance budget by 15%	18	18	18	18	18
ENV052	Introduce new charges for Road Closures and Traffic Signal Permits	10	10	10	10	10
ENV059	Reduce number of services supported by the Supported buses budget by 50%	190	270	270	270	270

It is always assumed that Stop/Reduce options are undesirable and inclusion of these options is dependent on the size of the funding gap and the savings that can be achieved from transformation and efficiency options. Stop/Reduce options have only been included if the other options have not enabled the budget gap to be closed.

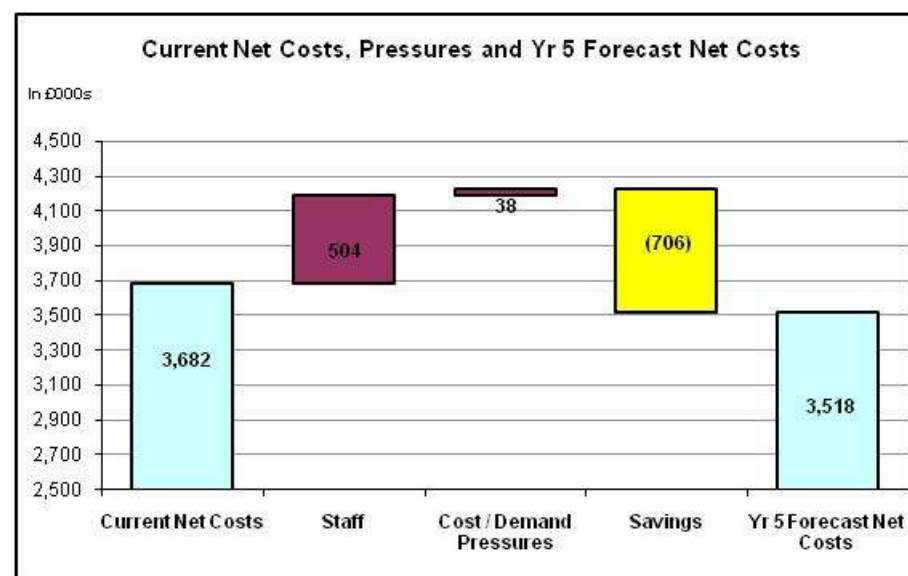
Section 3: Service Options

Economy, Planning & Regulation Services: Cost of Services

The 2013/14 the net cost of Economy Planning & Regulation Services is £3.682M. This cost is forecast to rise by 14.72% to £4.224M by 2018/19. Savings options proposed will result in a net cost reduction of 4.54% to £3.518M.



Economy, Planning & Regulation Services current budget is £3.7M, with gross spend of £5.8M and £2.1M income generated. The largest budgets are Environmental Health £0.9M, and Planning £0.6M.



The cost pressures that will impact on Economy, Planning & Regulations Services over the next 5 years are:

- Projected increases in staffing costs
- General inflation
- A one-off increase to the budget in 2014/15 to meet the cost of major events taking place e.g. National Armed Forces Day

Section 3: Service Options

Economy, Planning & Regulation Services: Transformation Options

The Service has identified the following Service Options which have been included in the draft budget:

1. Transformation Options 0.2M
2. Efficiency Options 0.1M
3. Stop/Reduce Options 0.4M
4. Total 0.7M

Transformation Options		Value (£)				
Reference	Option description	2014/15	2015/16	2016/17	2017/18	2018/19
EPR002/ EPR008/ EPR024	Shared Services – Building Standards, Environmental Health & Regulation (excluding Planning)	27	128	163	163	163
EPR040	Cultural Services Review	0	0	0	0	0

Section 3: Service Options (EP&RS)

Economy, Planning & Regulation Services: Efficiency Options

Reference	Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
EPR015	Removal of Budget for Stirling Town Scheme	5	5	5	5	5
EPR017	Purchase Planning Document Management System Licence	25	25	25	25	25
EPR023	Redesign the delivery of the Food Safety Inspections	7	14	14	14	14
EPR028	Property Brokerage Service – System Efficiencies	4	4	4	4	4
EPR036	Relocation of Leader Service	4	6	6	6	6

Section 3: Service Options

Economy, Planning & Regulation Services: Stop/Reduce Options

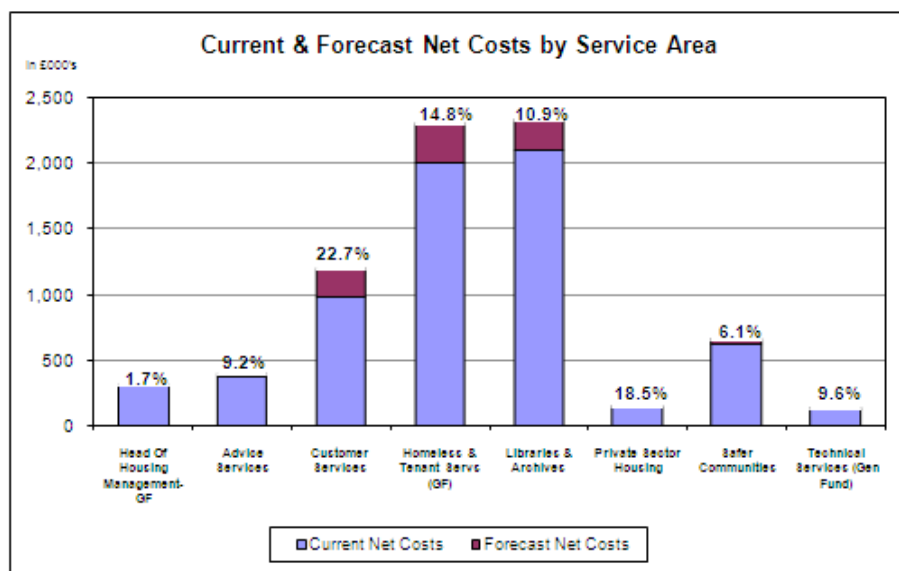
Reference	Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
EPR001	Introduce Charges for Pre-Warrant Discussions	3	3	3	4	4
EPR006	Introduce Charges for Pre-Application Discussions/Advice	2	2	2	2	2
EPR020	Reduce Consumer Advice Service	11	22	22	22	22
EPR026	Stop Pest Control Service (excluding Dog Warden Service)	17	23	23	23	23
EPR027	Reduce Contaminated Land Investigative / Test Budget	30	75	75	75	75
EPR032	Stop In-house Strategic Tourism, Film Liaison and Events Service	0	238	238	238	238
EPR039	Stop City Centre Initiative Management Function (including Festive Activities and Brochure)	0	63	105	105	105
EPR042	Reduce Economic Partnership / Project Activity by 25%	20	20	20	20	20

It is always assumed that Stop/Reduce options are undesirable and inclusion of these options is dependent on the size of the funding gap and the savings that can be achieved from transformation and efficiency options. Stop/Reduce options have only been included if the other options have not enabled the budget gap to be closed.

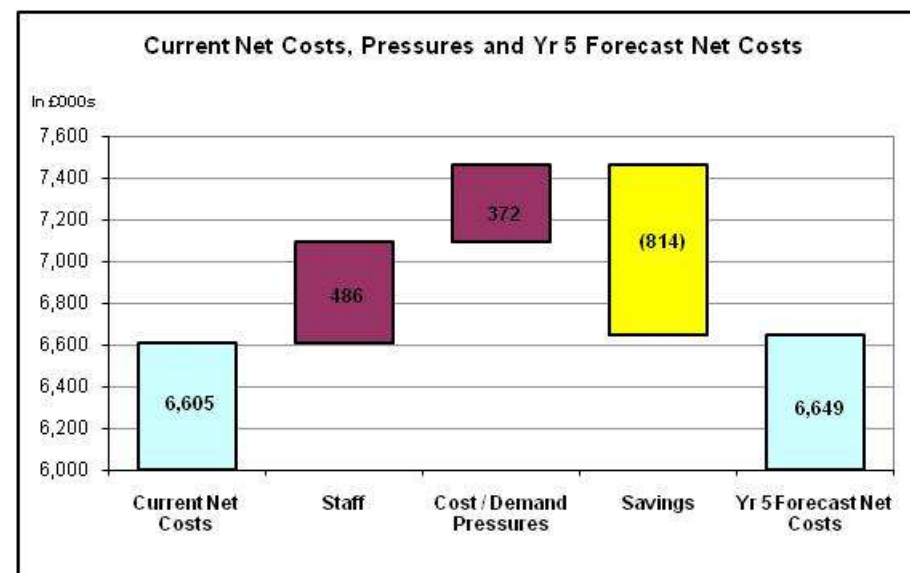
Section 3: Service Options

Housing & Customer Services: Cost of Services

The 2013/14 the net cost of Housing & Customer Services is £6.605M. This cost is forecast to rise by 12.99% to £7.463M by 2018/19. Savings options proposed will reduce this rise to 0.67% or £6.649M.



Housing & Customer Services has current total expenditure of £6.6M. Its largest budget areas are Library Services at £1.9M and Homelessness at £1.7M.



The cost pressures that will impact on Housing & Customer Services over the next 5 years are driven by:

- Projected increases in staffing costs
- Changes to the way services are delivered to customers
- General inflationary pressures.

Section 3: Service Options

Housing & Customer Services: Transformation Options

The Service has identified the following Service Options which have been included in the draft budget:

Transformation Options	0.1M
Efficiency Options	0.2M
Stop/Reduce Options	0.5M
Total	0.8M

Transformation Options		Value (£)				
Reference	Option description	2014/15	2015/16	2016/17	2017/18	2018/19
HCS040	Redesign safer Communities Team	50	50	50	50	50
HCS044	Review of CCTV provision	0	0	120	120	120

Housing & Customer Services: Efficiency Options

Efficiency Options		Value (£)				
Reference	Option description	2014/15	2015/16	2016/17	2017/18	2018/19
HCS001	Discontinue use of third party software	1	1	1	1	1
HCS019	Automation of switchboard and payment calls	0	20	20	20	20
HCS022	Introduce self service for Teith House reception	0	19	19	19	19
HCS023	Reducing postage costs	24	48	72	96	120
HCS030	Amalgamate Library HQ and Archives	(20)	13	13	13	13
HCS031	Share work space at Library HQ	10	10	10	10	10

Section 3: Service Options

Housing & Customer Services: Stop/Reduce Options

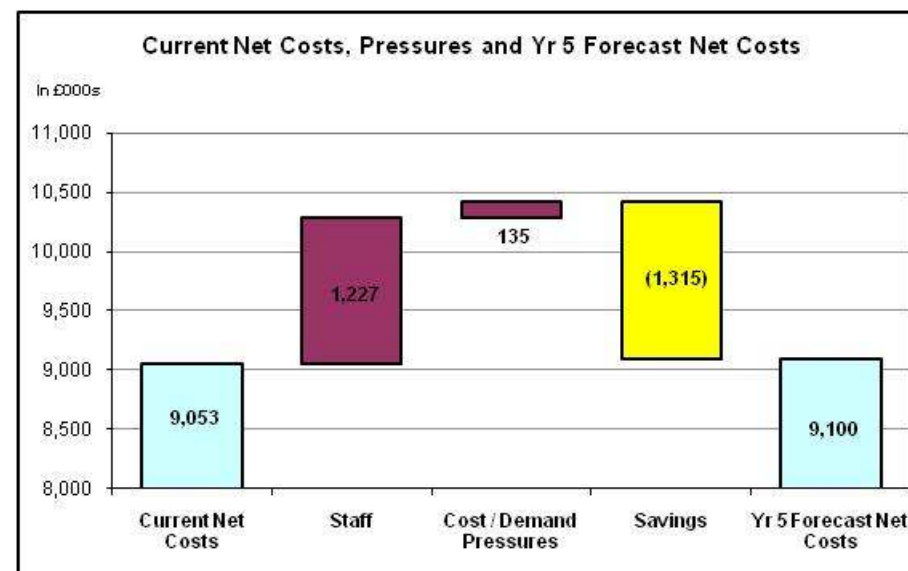
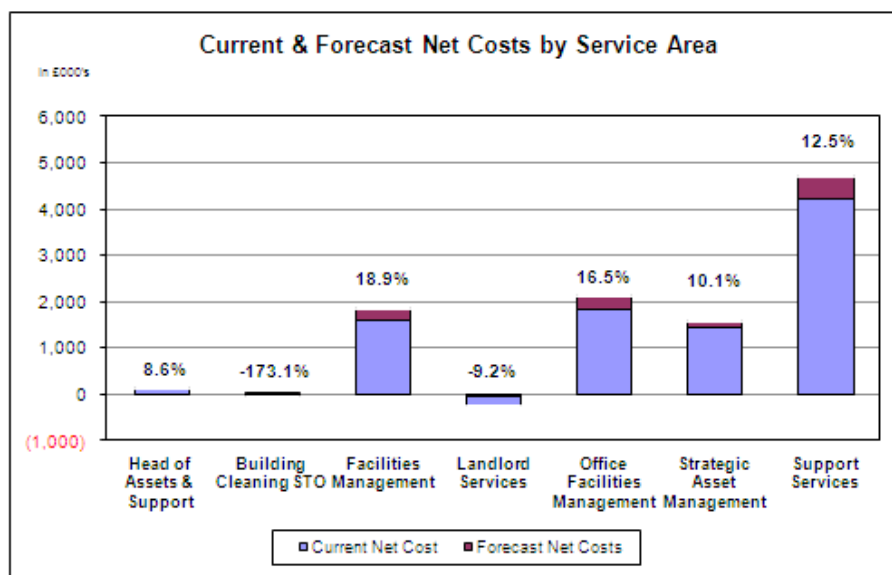
Reference	Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
HCS002	Full cost recovery for Landlord Registration & Houses in Multiple Occupation	20	20	20	20	20
HCS003	Private Sector Landlords - Increase penalties and license applications	5	5	5	5	5
HCS009	Introduce new charge for public access PCs in libraries for non-members	2	2	2	2	2
HCS010	Introduce new charge for use of Wi-Fi in Libraries.	2	2	2	2	2
HCS020	Stop taking cash payments in Council Offices	60	60	60	60	60
HCS033	Introduce new charge for all enquiries undertaken by Archives staff.	4	4	4	4	4
HCS060	Libraries Review	184	184	184	184	184
HCS041/ HCS043/ HCS045/ HCS047/ HCS050	Review of Funding/Grants to External/Third Sector Bodies	159	169	176	184	184

It is always assumed that Stop/Reduce options are undesirable and inclusion of these options is dependent on the size of the funding gap and the savings that can be achieved from transformation and efficiency options. Stop/Reduce options have only been included if the other options have not enabled the budget gap to be closed.

Section 3: Service Options

Assets & Support: Cost of Services

The 2013/14 the net cost of Asset & Support is £9.053M. This cost is forecast to rise by 15.04% to £10.415M by 2018/19. Savings options proposed will reduce this rise to 0.52% or £9.100M.



Assets & Support currently has a gross expenditure budget of almost £18M, with largest individual service elements covering School Catering (gross expenditure £2.8M), Headquarters properties (gross expenditure £2.7M) and Information Technology (gross expenditure £2.3M).

School Meals income and cost recharges to other Council Services (e.g. building cleaning) contribute total income of almost £9M.

The cost pressures that will impact on Assets & Support Services over the next 5 years are driven by:

- projected rising staff costs
- general inflation

Section 3: Service Options

Assets & Support

The Service has identified the following Service Options which have been included in the draft budget:

1. Transformation Options 0.6M
2. Efficiency Options 0.4M
3. Stop/Reduce Options 0.3M
4. Total 1.3M

Assets & Support: Transformation Options

Reference	Transformation Options Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
ASP039/ ASP010	Develop Shared Property Services and Facilities Management Services	31	32	93	95	98
ASP005/ ASP007/ ASP020	Alternative Service Delivery Models for HR/ICT/Building Cleaning	0	132	491	497	503

Section 3: Service Options

Assets & Support: Efficiency Options

Reference	Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
ASP001	Restructure Information, Communications Technology (ICT) Service	56	116	119	121	123
ASP002	Rationalisation of the Applications Portfolio	20	20	20	20	20
ASP013	Access Payslips online	0	7	7	8	8
ASP017	End the weekly Payroll	0	4	4	4	4
ASP024	Phased Closure of Local Offices	6	6	5	44	45
ASP025	Introduce Hybrid Mail Solution with another provider	15	30	30	30	30
ASP030	Review Professional Construction Contracts	5	10	20	25	30
ASP034	Individual Settlement Planning roll out (Forth Valley Property Asset Strategy)	25	50	75	100	125
ASP040	Strategic Review of Non Operational Portfolio	0	0	0	0	0

Assets & Support: Stop/Reduce Options

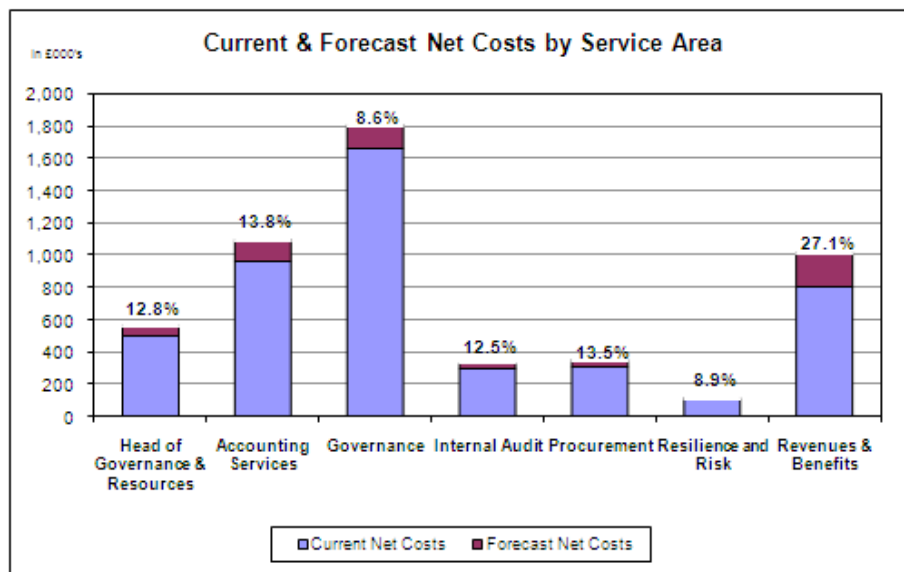
Reference	Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
ASP006	Review Cleaning Specification and increase productivity through targeted cleaning approach	24	25	90	92	93
ASP009	Targeted reduction of school crossing patrol service to meet the National criteria	16	54	62	63	64
ASP011	Close Public Conveniences	24	43	85	85	88
ASP012	Review of the Provision of Public Halls	0	52	54	55	56
ASP014	Reduce Trade Union (TU) Facility Time	0	17	17	18	18
ASP035	Move towards full Cost Recovery for Pavilions & Associated Pitch Lets	2	4	7	8	10

It is always assumed that Stop/Reduce options are undesirable and inclusion of these options is dependent on the size of the funding gap and the savings that can be achieved from transformation and efficiency options. Stop/Reduce options have only been included if the other options have not enabled the budget gap to be closed.

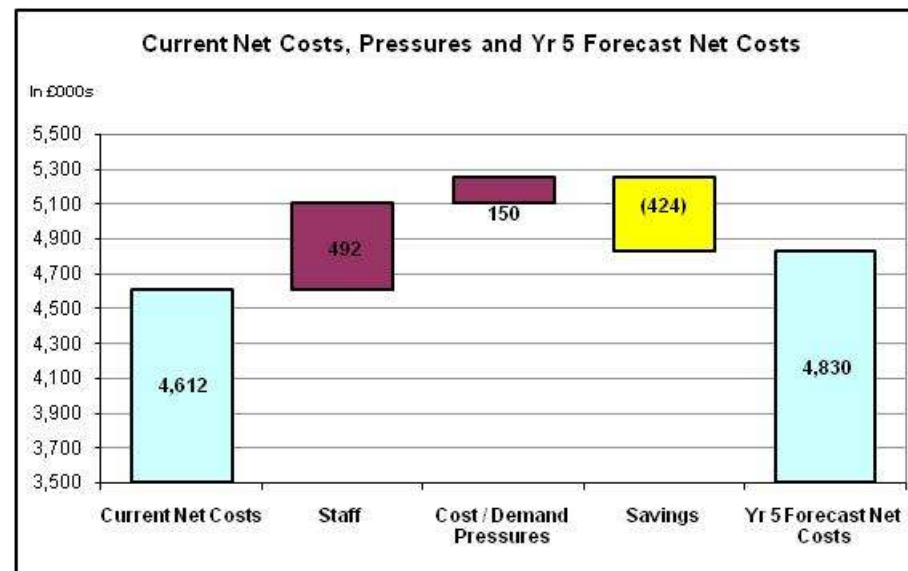
Section 3: Service Options

Governance & Resources: Cost of Services

The 2013/14 the net cost of Governance and Resources is £4.612M. This cost is forecast to rise by 13.92% to £5.254M by 2018/19. Savings options proposed will reduce this rise to 4.73% or £4.830M.



Governance & Resources has a current budget of £4.6M. The main areas of budget are Accounting Services (£1.0M) and Revenues & Benefits (£800K). The Revenues & Benefits Team administer payments of almost £20M.



The main cost pressures that will impact on Governance & Resources in the next 5 years are:

- Projected staffing cost increases
- General inflation

Section 3: Service Options

Governance & Resources: Transformation Options

The Service has identified the following Service Options which have been included in the draft budget:

1. Transformation Options 0.3M
2. Efficiency Options 0.1M
3. Stop/Reduce Options 0.1M
4. Total 0.5M

Reference	Transformation Options Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
GOV010	Shared Legal Service	0	23	24	24	25
GOV012	Centralisation of Council-wide Legal Resources	46	47	48	49	50
GOV034	Creditors Invoice Matching and Scanning	40	60	60	60	60
GOV047	Web-based Self Service and Electronic Billing - Council Tax/Housing Benefit	0	1	3	30	32
GOV035/ GOV046/ GOV051	Alternative Service Delivery Model – Accounting and Finance/Revenues & Benefits/Internal Audit	10	124	125	127	128

Section 3: Service Options

Governance & Resources: Efficiency Options

Reference	Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
GOV003	Reductions in Current Budgets within Resilience and Risk	5	5	5	5	5
GOV017	Reduce Postage Costs within Democratic Service	4	4	4	4	4
GOV020	Realign Professional and Admin Resources in Records and Information Mgt	2	2	2	2	2
GOV024	Change the Number and Payments of Senior Councillors	5	5	5	5	5
GOV028	Rationalise Support Arrangements for the Council Leader & the Provost	13	13	14	14	14
GOV032	Financial Systems Maintenance & Support	3	3	3	3	3
GOV049	Social Care Financial Assessments	0	0	0	0	0
GOV050	Scottish Water Agency Fee - Budget Realignment	23	23	23	23	23

Governance & Resources: Stop/Reduce Options

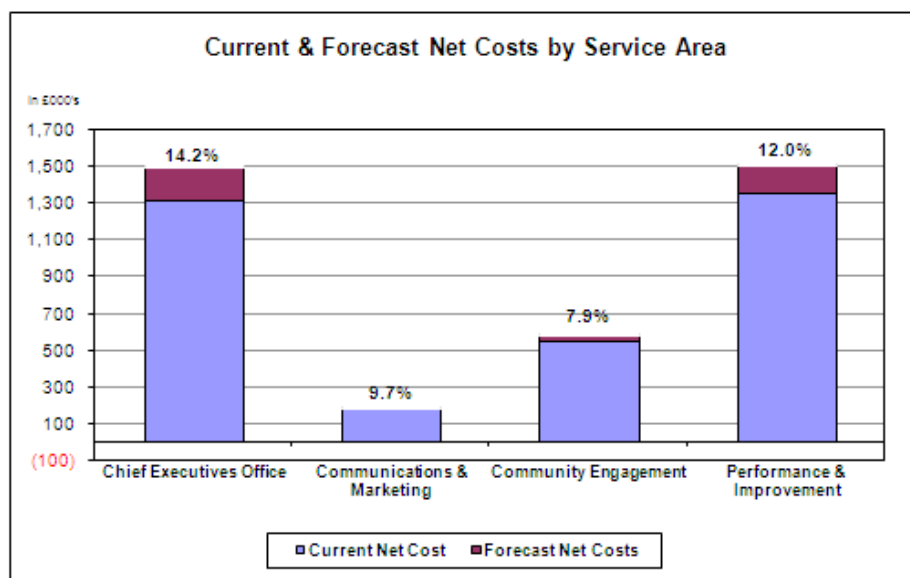
Reference	Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
GOV014	Legal Services - Increase Fee Rates	6	6	6	6	6
GOV016	Reduction in Print & Copy of Council and Committee Agendas and Reports	10	10	10	10	10
GOV026	Reduce Elected Members' Hospitality Provision	7	7	7	7	7
GOV027	Reduce the Civic Budget	20	25	30	30	30
GOV033	Accounting & Financial Support Services - Additional Fees	20	20	20	20	20

It is always assumed that Stop/Reduce options are undesirable and inclusion of these options is dependent on the size of the funding gap and the savings that can be achieved from transformation and efficiency options. Stop/Reduce options have only been included if the other options have not enabled the budget gap to be closed.

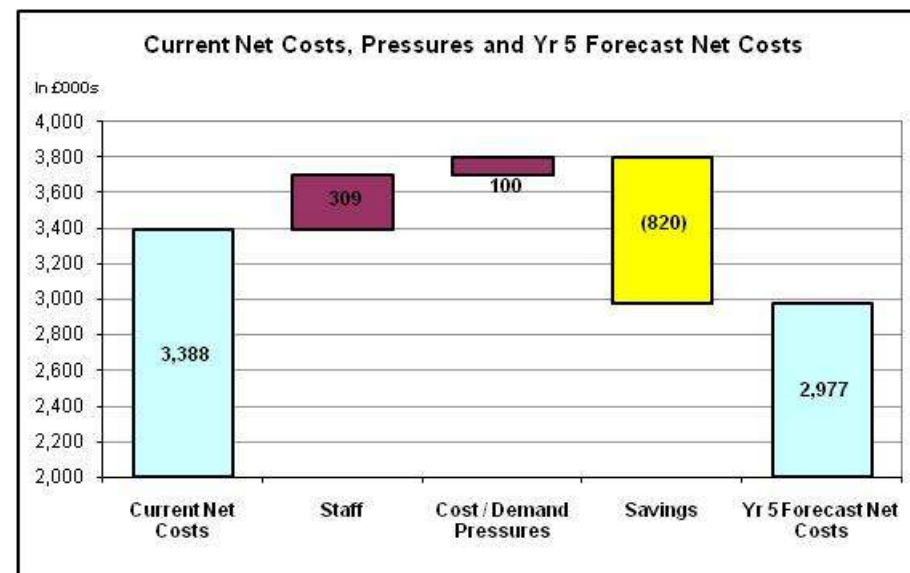
Section 3: Service Options

Chief Executive's Office: Cost of Services

The 2013/14 net cost of Chief Executive's Office is £3.388M. This cost is forecast to rise by 12.07% to £3.797M by 2018/19. Savings options proposed will result in a net cost reduction of 12.13% to £2.977M.



The Chief Executive Service currently spends just under £3.4M. The largest proportion of this is spent on Performance and Improvement (£1.3M). The budget also includes the cost of supporting the Big Noise Project in Raploch.



The cost pressures that will impact on Chief Executive's Office over the next 5 years are almost exclusively driven by projected rising staff costs.

Section 3: Service Options

Chief Executive's Office

The Service has identified the following Service Options which have been included in the draft budget:

1. Efficiency Options 0.2M
2. Stop/Reduce Options 0.6M
3. Total 0.8M

Chief Executive's Office: Efficiency Options

Efficiency Options		Value (£)				
Reference	Option description	2014/15	2015/16	2016/17	2017/18	2018/19
CEO002	Reduce Service Management	0	140	142	145	148
CEO003	Review Administrative Support to Senior Management	44	90	90	90	90
CEO011	Review Communications Channels	10	10	10	10	10

Chief Executive's Office: Stop/Reduce Options

Stop/Reduce Options		Value (£)				
Reference	Option description	2014/15	2015/16	2016/17	2017/18	2018/19
CEO004	Reduce capacity across Chief Executive Office Teams	20	73	325	379	386
CEO012	Review approach to Community Engagement	0	70	108	110	112
CEO016	Reduce Community Credit Union Funding	8	8	8	8	8
CEO010/ CEO013	Review of Funding/Grants to External/Third Sector Bodies	0	66	66	66	66

It is always assumed that Stop/Reduce options are undesirable and inclusion of these options is dependent on the size of the funding gap and the savings that can be achieved from transformation and efficiency options. Stop/Reduce options have only been included if the other options have not enabled the budget gap to be closed.

Section 3: Service Options

Corporate Options: Efficiency Options

A number of options were identified at the onset of Priority Based Budgeting process which is of a Corporate nature rather than being directly linked to any Services. In addition some options originally identified as Service Options have been expanded to cover the whole of the Council rather than just one Service. These Options being progressed as part of these Draft Budget proposals are listed below:

1. Efficiency Options 0.2M
2. Stop/Reduce Options 0.1M
3. Total 0.3M

Efficiency Options		Value (£)				
Reference	Option description	2014/15	2015/16	2016/17	2017/18	2018/19
COR006	Reduce funding for Central Scotland Joint Valuation Board	30	30	30	30	30
COR011	Additional trading surplus from acquired investment properties	50	100	200	200	200
COR014	Increase use of Intranet for internal Council processes	0	0	0	0	0
COR016	Reduce Council-wide Energy Costs	0	0	0	0	0
COR017	Review of Council-wide Management Structures	0	0	0	0	0
COR018	Review of Working Arrangements	0	0	0	0	0

Corporate Options: Reduce Options

Stop/Reduce Options		Value (£)				
Reference	Option description	2014/15	2015/16	2016/17	2017/18	2018/19
COR013	Increase Council Tax Charges on Long-Term Unoccupied Properties	200	150	125	100	75
COR020	Above inflation increase on fees and charges levied for individual services	25	25	25	25	25
COR021	Review of Funding Grant Support to External / Third Sector Bodies	0	0	0	0	0

It is always assumed that Stop/Reduce options are undesirable and inclusion of these options is dependent on the size of the funding gap and the savings that can be achieved from transformation and efficiency options. Stop/Reduce options have only been included if the other options have not enabled the budget gap to be closed.

Section 4

DEPENDENCIES

Section 4: Dependencies

Key Issues

The Council's revenue budget cannot be set in isolation. There are a number of factors that require to be considered, both internal and external, as the budget is taken forward to its approval in February 2014.

The main factors are listed below:

Scottish Government Funding and Council Tax

While the Council has been provided with figures which determine Scottish Government Grant funding levels for 2014/15 and 2015/16, the funding support for the final 3 years of the 5 year programme have yet to be confirmed. All indications are that future financial settlements will be even tougher than the current ones. On this basis an assumption of a 1% year on year cash reduction in grant has been built into the base budget from 2016/17 onwards.

Similarly, while the current agreement on the Council Tax freeze runs to 2015/16 it is not clear whether this will be extended further. On this basis, a prudent assumption has been made that there will be no increase in Council Tax rates during the 5 year period. A 2% Council Tax increase raising £900,000 of revenue per annum, was put forward, but rejected as a Corporate budget option.

Teacher Numbers

Current grant settlement makes it difficult if not impossible for Council's to reduce their teacher numbers. The protection of teacher numbers is confirmed for 2014/15 but not beyond this. The Education Service have put forward a number of Efficiency and Transformational Service Options which would require an overall reduction in teacher numbers. These have not been taken forward as part of the budget options proposed, but can be brought in for future years if the current restrictions are relaxed.

Alternative Service Delivery Models and Shared Services

A number of Service Options have been put forward as part of the Draft Budget, based on savings that should arise as a result of changing the way in which services are delivered. In some cases this could involve the sharing of services with other public sector bodies but this is not necessarily the case. In most cases the option presented requires further work to identify the best service delivery model. Options involving other public sector bodies will also be dependent on the co-operation of those bodies. It is noted that the Council does already share a number of Services with Clackmannanshire Council, and already delivers some services through alternative methods (e.g. Economic Development via STEP and the SDA and geographical information services via ThinkWhere).

Section 4: Dependencies

Health and Social Care Integration

Stirling Council Social Care and NHS Forth Valley Health Services are already on a path towards greater integration, with legislation requiring this to be in place by March 2015. The success of this integration will be a key dependent on delivering a number of Service Options put forward by Social Services.

Inter-Dependency between Service Options

At its Corporate Round Table meeting on 23 October, the Council Management Team gave due consideration to the inter-dependency of options put forward. One aim of this was to guard against the double counting of savings, but also the Management Team recognised that options put forward by one Service may rely on certain actions or activities in another Service continuing. As the process is taken forward the Management Team will continue to monitor these inter-dependencies. For example, the Service Options proposing redesign of Care Services for Older People will require the Council to continue to provide robust support to its local communities. Therefore any service re-design of its community based services will need to take the proposed changes in Social Services fully into account.

Section 4: Impact on Capital Plan

Savings identified in Section 3 relate only to revenue expenditure. It should be noted, however, that a number of options have, or could result, in a capital impact. Some require capital investment to be implemented in addition to the current provisional mainstream capital programme approved in February 2013 for the next 5 years. Others may remove the need for a capital asset and thus create the opportunity for a future capital receipt. The most significant potential capital impacts are:

Ref No.	Option	Capital Impact where known (£'000)
ENV027	Capital Investment - Street Lighting Energy Efficiency	13,200
ENV006	Implementation of material recycling facility	985
ASP005	Alternative delivery options for Information & Communications Technology (ICT)	750
HCS030	Amalgamate Library HQ and Archives	250
ENV022	Reduction in Fleet Car Hire Across Council	152
ASP024	Phased Closure of Local Offices	150
ENV010	De-watering of street cleaning waste	125
HCS044	Review of CCTV provision	100

The capital impact on the savings options will therefore be considered as part of the Council's capital programme process. The capital programme for 2014/15 will also be set at the Council's budget meeting in February 2014, at which time a provisional programme for the following 4 years will also be determined.

Section 5

NEXT STEPS

Section 5: Next Steps

Completing the Budget Process

The issue of this report is essentially the first stage of a process which will reach a conclusion when Stirling Council meets to set its budget in February. As noted in the Executive Summary, the Service Options put forward in this report have been prepared by the Council Management Team and not by the Council. The next stage of the process involves detailed communication and engagement with key stakeholders, communities, staff and members of the public, where feedback will be sought on the Service Options presented. Feedback received will be collated and presented back to Council as part of the information that Councillors will consider as part of the budget setting process.

Public meetings will be held throughout November and December, which will give people the opportunity to better understand the budget process being undertaken and to provide feedback to the Council. Members of the public and Council staff will also be able to provide feedback in the form of a short survey, which will be available on the Council website. Similarly the opportunity to comment and suggest budget savings options will be provided via a dedicated e-mail address. Full details of public meetings can be found in Appendix 4. A summary Project Plan is contained in Appendix 5.

Once the Council has set its budget in February, the process will start again, with further Service Options requiring to be identified for future years.

Ensuring Success

The ongoing success of delivering against the Council priorities alongside successfully delivering an ambitious and challenging package of options to be proposed for inclusion within this Plan will directly link into the impact on the people of the Stirling Council area. This link should not be broken and the development of this and future phases of the priority based process needs to home in on delivering against a number of outcomes, rather than merely against individual Service Options.

To deliver this, the Council will need to ensure that it has the strongest possible capability, capacity and governance in place to ensure the successful delivery of the overall 5 Year Business Plan, not just in regards to the discrete Programme, but as an overall goal. Key to this is the:

- Development of an appropriate culture within the Council to drive, embrace and embed change
- Clear leadership and strategic direction that will steer, guide and continuously support the change
- Customer and community engagement

- Ability to report progress and impact both to Council, its partners and to the local community
- To achieve this, Stirling Council has identified key activities. They are discussed in more detail over the following pages:

	Key Activities
1	Address Inter-dependencies
2	Engagement and Implementation
3	Programme Management
4	Update 5 Year Financial Plan
5	Creating Linked Plans
6	Alternative Service Delivery Models

Section 5: Next Steps

1. Address Inter-Dependencies

- A number of inter-dependencies have been identified during the development of Service Options which need to be resolved in the next stage of the process as a comprehensive Business Plan is developed.
- Ensure that capital impacts arising from the Service Options being taken forward are recognised in the Capital Programme.
- Capital expenditure and receipts will need to be profiled for each year.
- Review the totality of Transformation options and identify the degree of change impacting on the organisation, and ensure that resources are put in place to ensure the effective delivery of the required change.
- Consider how the organisation will manage a change programme and potential risks of initiating the full package of identified options.
- Ensure that any knock-on impacts of implementing Service Options are recognised and addressed prior to setting the budget.

Section 5: Next Steps

2. Engagement & Implementation

- Ensure that communication and engagement takes place with all key stakeholders and partners as the Priority Based Budget approach is launched. A series of community and partner engagement sessions has been arranged for November and December to launch Priority Based Budgeting in our communities. Details of the events are provided in Appendix 4. The communication and engagement process will then need to become embedded for carrying Priority Based Budgeting on into future years.
- Ensuring that all of our staff are fully engaged in the process in a similar manner, and that staff have a channel to directly contribute to the process, through their Services.
- Effective two-way communications throughout change is vital to the success of the implementation of chosen Service Options. The need to ensure that feedback is both received and considered will be critical.
- At Head of Service level implementation programmes are critical to the continued successful implementation of chosen Service Options. These will consider timing and duration of:
 - Stakeholder engagement
 - Employee consultation and notice periods
 - Negotiations with third parties
 - Critical business as usual periods
- A copy of the Project Plan through to April 2014 is attached at Appendix 5.

Section 5: Next Steps

3. Programme Management

- It is proposed that a Programme Management Office (PMO) will be set up from March 2014 to support the delivery of Priority Based Budgeting and the delivery of the emerging 5 year Business Plan.
- A Sponsoring Group – made up of the Chief Executive, CMT and the Senior Programme Manager will be set up to oversee the work of the PMO and meet fortnightly to monitor the progress of the projects, programmes and other activities that deliver the PBB savings, plus other projects the Council is undertaking.
- A mechanism will be set up to continuously track the realisation of targeted PBB savings.
- A corporate change process to monitor and control changes to the PBB options will be set up. Any significant changes to costs, benefits (savings) or scope are considered by the Sponsoring Group for discussion and approval.
- The set up of an Elected Member Working Group to ensure one single point of engagement with Elected Members to monitor the key projects arising from PBB.

Section 5: Next Steps

4. Update 5 Year Financial Plan

- Work continues on inter-dependencies, details of business cases and implementation plans to inform and underpin the success of the implementation of the Financial Plan.
- Ensure there is no duplication between Service and Corporate savings.
- Confirmation required on funding levels for future years.
- Additional overlay to Financial Plan for corporate funding options and financing requirements.
- Setting of future years' non-housing capital plan.
- Perform sensitivity analysis.
- Year 1 of the 5 Year Financial Plan forms the basis for the 2014/15 budget.
- The 5 Year Financial Plan will be incorporated within the Five Year Business Plan.

Section 5: Next Steps

5. Creating Linked Plans

- Creation of a 5 Year Business Plan that dovetails with the 5 Year Financial Plan.
 - Creation of a Workforce Plan which sets the framework for ensuring that the Council's workforce is able to meet the challenges of its changing environment while still delivering high quality services. It is intended to produce a Workforce Plan during the next year of the PBB process.
 - Commencement of a Procurement workstream which ensures that the Council is gleaning maximum value from its procurement process.
 - Further development of the Capital Plan to ensure that future investment decisions fully reflect the revenue budget and Business Plan requirements.
- It is also the intention to extend the 5 Year Financial Plan to cover 10 years, as the process moves forward over the next few years.

Section 5: Next Steps

6. Alternative Service Delivery Models

A number of Service Options were presented to Council Management Team based on alternative models of service delivery, where the option presented required further work to identify the best option. Services will now focus on developing these options supported by the Programme Management Office. ASDM's may be public sector based and could involve partnering with other public sector bodies.

There are many examples of ASDMs across the UK, and in recent years there has been an increase in the provision of public services by the voluntary, charity or social enterprise sectors. There is no one size fits all and it is important that the approach taken by the Council is within its overall strategy for delivering services.

The preferred model for delivering services or optimising the asset base will depend on a number of factors:

- Attitude to risk;
- Culture and values;
- Scope of the service;
- Requirement to generate growth;
- Accessibility to and amount of investment;
- Tax implications;
- Economies of scale;
- Potential market; and
- Willing and able partners.

The list is not exhaustive and the preferred model will be determined by evaluating the different models quantitatively and qualitatively within the appropriate context of the strategic approach by the council.

Section 5: Next Steps

Common models of ASDM:

Public Private Partnership – the public and private sector delivers in partnership the services, where risk tends to be shared between the organisations. The private sector tends to take a more strategic role in the delivery of services and it is usually delivered via a special purpose vehicle, which can attract different types of funding.

Joint Venture – the public and private sector bodies create a special purpose delivery vehicle which is commissioned to deliver a service. This is usually the mechanism to deliver a service where there is the expectation to generate growth.

Outsource – services delivered by a third party on behalf of the council. This will include the management, administration and provision of services and can also involve the transfer of assets, including staff.

Community Interest Company – is a limited company which is created to conduct a business and exploit an asset or assets for community benefit.

Limited Liability Partnership – a form of partnership that has the benefits of limited liability and enables flexibility in the organisation of its internal structure. The LLP is a separate legal entity and while the LLP is liable for its assets, the liability of its members will be limited.

Charitable Trust – usually created for the advancement of education, well-being, public health or any other purpose regarded as charitable in law. There can be tax advantages to charitable status.

Mutualisation – relatively new and mainly being progressed in England. Employees take a share in the enterprise alongside the private sector and other investors, including the council. Different to the traditional cooperative model, where employees are members.

Glossary

A&S	Assets & Support
ASDM	Alternative Service Delivery Model
CEO	Chief Executive's Office
CMT	Corporate Management Team
ENV	Environment Services
EPR	Economy Planning & Regulation
EDU	Education Services
FTE	Full Time Equivalent
G&R	Governance & Resources
H&CS	Housing & Customer Services
HT	Headteacher
ICT	Information, Communications & Technology
PBB	Priority Based Budgeting
PMO	Programme Management Office
RI&D	Roads Improvement & Development
SC	Stirling Council
SDA	Stirling Development Agency
SOC	Social Services
STEP	Stirling Enterprise Park

APPENDIX 1

STIRLING COUNCIL KEY PRIORITIES - APPROVED IN OCTOBER 2012

- A. Building a **Community Planning partnership** that is democratically led with an engaged community and works towards positive outcomes for Stirling.
- B. Increased focus on **early intervention** to help families in need.
- C. Regenerate our most in need communities to deliver a full range of positive social, environmental and economic outcomes.
- D. **Improve the outcomes** for the lowest performing 20 per cent of children in nurseries and schools.
- E. Provide additional nursery and **out of school care** places throughout the Stirling area to support working families.
- F. Being a good **corporate parent**.
- G. Improving **care for our vulnerable people at home**.
- H. Promote opportunities and support access to **physical activity and sport for all**.
- I. Ensure enforcement action is taken across all areas of Council activity and make full use of Council policy to combat **anti-social behaviour**.
- J. Develop **advice services** that are fit to support people through the current round of welfare changes by establishing an integrated service with voluntary sector leadership.
- K. Examining and delivering on more opportunities for improved models of service delivery.
- L. Adopt a pragmatic approach to **sustainability** that protects and enhances the local environment.
- M. Make **resurfacing roads, paths and pavements** the service priority across the whole Stirling area.
- N. Build more **socially rented housing**.
- O. Deliver and improve upon access to and **speed of internet access across the Stirling area**.
- P. Streamline **business support** under the leadership of the business community.
- Q. Pursue a diverse high wage economy that delivers **local jobs** for people across Stirling and a procurement policy that supports this.
- R. Our financial strategy will reflect the current economic challenges by saving £24M whilst ensuring the delivery of quality services.

APPENDIX 2

SERVICE OPTIONS – FURTHER WORK REQUIRED

A number of Service Options put forward by Services required further work before any decision could be taken and are not included in the draft budget at this stage.

Reference	Option description	Further Work Required				
		Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
EDU085	Review of Realigning 5 Standalone Nurseries to Primary HT Management	86	139	139	139	139
EDU088	Review of 0-3 provision in standalone nurseries	0	0	0	0	0
EDU089	Early Years Service Re-Design	0	0	0	0	0
GOV002	Shared Service for Resilience and Risk	0	18	18	18	19
GOV048	Blue Badge Scheme Assessment	0	0	0	0	0
HCS018	Introduce a multi-service Family History Centre	1	1	2	3	4
HCS060	Libraries Review *	0	50	50	50	50
HCS061	Efficiencies arising from Channel Shift **	0	0	0	0	0

* Libraries Review – this is ongoing. Some budget savings have already been built into the Service Options – see Section – Housing & Customer Services.

** Some efficiencies arising from Channel Shift have been included in Service Options being taken forward as part of the budget.

APPENDIX 3

SERVICE OPTIONS – NOT INCLUDED IN BUDGET

Transformation and Efficiency Options put forward by Services but not included in the draft budget at this stage as a result of the initial prioritisation process. In most cases these Options have been rejected at this stage as there are barriers to delivery which are outwith the control of the Council. In some cases alternative Transformational Options were put forward for the same Service. Where a choice was made between two or more such Options, the rejected Options have not been listed below.

Reference	Transformation and Efficiency Options Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
ENV019	Reduce Council's interest in Forth & Teith Fishery.	0	21	21	21	21
ENV035	Capital Investment in Road Surfacing to reduce spend on temporary repairs	0	60	120	180	240
EPR044	Graduate Building Standards Officer Vacancy	29	29	29	29	29
HCS005	Reduction in staffing Quality and Performance team	20	20	20	20	20
COR001	Removal of 85% floor in Scottish Government grant distribution	0	425	425	425	425
COR002	Change to Further Education Bursary allocation in Government Grant	0	82	164	246	328
COR003	Removal of Council Tax Freeze	0	0	900	1,800	2,700
COR012	Review of Business Rates Reliefs	0	0	0	0	0
COR015	Reduce Council-wide Advertising Expenditure	0	0	0	0	0
EDU023	Shared Head Teacher Social Emotional Behavioural Service	0	0	20	20	20
EDU037	Reduce Pre-School Access to Nursery Teachers	0	67	180	180	180
EDU057	Reduce Primary School Week	0	550	880	880	880
EDU058	Implementation of Non-Teaching Professional to deliver Non Class Contact Time	0	140	220	220	220
EDU065	Maximise Primary Class Sizes	0	80	128	128	128
EDU069	Reduce Secondary Schools by 28 FTE Teachers	0	150	395	640	885
EDU073	Reduction of Additional Support Needs teachers in High Schools	0	35	56	56	56
EDU081	Social Emotional Behavioural Services – Shared Services	0	0	50	80	80
EDU084	Review of Class Sizes for Additional Support Needs	0	0	0	0	0
EDU086	Additional Support Needs Outreach Service – Shared Services	0	64	100	100	100
EPR007	Stop Press Advertising for Planning Applications	8	19	24	24	24
ENV006	Implementation of Material Recycling Facilities	0	0	0	0	0

Stop/Reduce Options put forward by Services but not included in the draft budget at this stage as a result of the initial prioritisation process. This involved assessing the likely impact of each Option against the Council's key priorities as listed in Appendix 1. In some cases alternatives to the options rejected have been included in the budgets as Service Options e.g. ENV001 and ENV043 are taken forward while ENV003 and ENV055 are rejected.

Reference	Stop/Reduce Options Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
ENV003	Introduce charge for brown bin collections from year 1	176	234	234	269	269
ENV065	Introduce a Waste Charge by Weight of Bin	0	0	0	0	0
SOC011	Mobile Emergency Care Services - Charging Full Cost	64	98	98	98	98
SOC017	Reduction in Employability Service	0	36	36	36	36
ASP008	Target selectively the reduction of school crossing patrol points	21	47	48	49	50
CEO008	Stop / Reduce Big Noise Raploch Aspirational Plan	507	0	0	0	0
CEO015	Reduce Community Projects and Partnership Initiatives Funding	9	9	9	9	9
COR005	Stop Non-Domestic Rates Discretionary Relief	12	12	12	12	12
COR019	Withdraw from the Convention of Scottish Local Authorities (COSLA)	59	59	59	59	59
EDU005	Withdraw Adult Learning Team	0	0	0	0	554
EDU008	Withdrawal of Apprenticeship Development Fund	0	0	212	323	323
EDU011	Closure of Creche, Play & Out of School Care Service	0	0	149	149	149
EDU015	Fallin Out of School Care - Option to Close	18	29	29	29	29
EDU024	Reduction of Additional Support Needs Outreach Management team	0	0	0	46	46
EDU038	Withdraw from Music Tuition Scheme from Aug 2014	334	442	442	442	442
EDU045	Breakfast Club withdrawal	12	20	20	20	20
EDU074	Withdrawal of Youth Services Team	0	0	0	0	1,268
ENV002	Phased removal of brown bin collections	65	161	281	377	377
ENV026	Reduce Street Lighting Maintenance	125	125	125	125	125
ENV028	Switch off street lights between 1am and 5am	0	189	189	189	189
ENV034	Winter Service Reduction - Option 1	81	81	81	81	81
ENV036	Reduction in Roads Maintenance Programme	240	240	240	240	240
ENV037	Winter Service Reduction - Option 2	167	167	167	167	167
ENV040	Removal of supported transport budget (100%)	560	747	747	747	747
ENV041	Removal of funding for Dial-a-Journey / Taxi Card & Shop Mobility services	0	174	174	174	174

Reference	Option description	Value (£)				
		2014/15	2015/16	2016/17	2017/18	2018/19
ENV042	Restructure of Transport Co-ordination Team (Reduction of 1FTE)	0	26	26	26	26
ENV044	Reduce Bus Shelter Maintenance Programme	11	11	11	11	11
ENV047	Stop Park and Ride Service	0	290	290	290	290
ENV055	Reduce Brown Bin Collection Frequency to 4 Weekly but no charging	33	150	150	150	150
ENV060	Stop Funding to Shopmobility	0	20	20	20	20
EPR016	Stop Grant Support to Stirling City Heritage Trust	25	25	25	25	25
EPR018	Tobacco Test Purchasing	22	22	22	22	22
EPR019	Stop Consumer Advice Service	33	66	66	66	66
EPR029	Stop Economic Partnership / Project Activity	80	80	80	80	80
EPR030	Stop Economic Development Service	0	0	0	294	294
EPR041	Stop Business Location Marketing Activity	0	14	14	14	14
EPR043	Reduce In-house Strategic Tourism, Film Liaison and Events Service	0	104	104	104	104
GOV004	Reduction of Internal Audit Service	23	23	23	24	24
GOV031	Reduction in Accounting & Financial Support Services	30	100	101	102	103
HCS021	Payment automation in Customer First	0	18	18	18	18
HCS027	Stop Mobile Library Service (See Libraries Review (HS060))	103	103	103	103	103
HCS028	Closure of all but Central Library branch (see Library Review – HCS060)	681	681	681	681	681
HCS032	Close the Council Archives	145	145	145	145	145
HCS037	Reduction in Housing Strategy Team	15	15	15	15	15
HCS038	Reduce funding for Antisocial Behaviour	619	619	619	619	619
HCS039	Remove funding from Multi Agency Public Protection Arrangements Service	73	73	73	73	73
HCS042	Reduce funding to Barnardos – Housing & Customer Services	17	34	34	34	34
HCS046	Remove funding to Violence Against Women- Rape Crisis	14	14	14	14	14
HCS049	Reduce Funding - Womens aid	138	138	138	138	138
HCS051	Reduce of the homelessness service	1,524	1,524	1,524	1,524	1,524
HCS053	Remove the Bridge Residential and Outreach Service	0	0	0	500	500
HCS055	Further reduction in advice service funding	100	100	100	100	100
HCS056	Close gypsy traveller site and services to travelling community	34	34	34	34	34
ENV064	Phased reduction in grey bin collection frequency to 4 weekly	47	367	367	367	367

APPENDIX 4

COMMUNICATION AND ENGAGEMENT MEETINGS

Councillors and members of the Council Management Team will attend a number of meetings at which the Priority Based Budget process and its outcomes will be discussed with its stakeholders. These are:

Area Forum Meetings – 7 pm

Rural South West Forum	18 November	Balfron Campus
Trossachs Forum	20 November	Blairdrummond Village Hall
Forum 5	21 November	Mayfield Centre
Breadalbane	25 November	Killin Primary
Wallace Forum	5 December	Riverbank Centre

Public Meetings – 7 pm to 8.30 pm

These have been set up specifically to discuss Priority Based Budgeting and will take place at Local High Schools

Bannockburn High	27 November
Balfron High	2 December
Stirling High	3 December
McLaren High	10 December
Dunblane High	12 December
Wallace High	16 December

Staff Briefings will also be held throughout the process.

Project Plan – PBB

