

1. INTRODUCTION

- 1.1 The financial data provided for this review was, by the nature of the timing of the unitary work, based at a high level and clearly any recommendations would need a significant element of investigation to validate. An area that has not been evaluated within this report is that of the increased income that will be developed from improved service performance.
- 1.2 An innovative and radical review of how the new entity should look and provide value for its citizens will be required. Within Ipswich Borough Council, the areas of HR and Customer Services will need early support to ensure that the capacity exists to drive forward the required changes. In addition, an open minded view of the ways in which both new unitary authorities can support and work with each other to deliver even more service improvements needs to be considered. An example of this collaboration could be in transport, given Ipswich Borough Council's ownership of a significant element of the bus service.
- 1.3 The outcome of this additional work will be the development of detailed service, financial and operational plans to underpin the formation of the direction of the new authority. Consideration and evaluation of technology and the requirement moving forward will also be needed, as the potential for investment in new technology will have to be considered.

2. BACKGROUND

- 2.1 Northgate Kendric Ash were commissioned to provide Ipswich Borough Council with a “ball park” figure of potential savings within the new unitary authority of North Haven, based on professional experience and knowledge of delivery of savings within the service areas of other authorities.
- 2.2 The new budgetary requirement of the new authority has been given as £157,491,000, and we have made the assumption that this is an accurate figure. Within this we have extracted the major service areas of Highways, Roads & Transport, Social services, Housing GRFA, Cultural Environmental & Planning services, Environmental services, Planning & Development and Central Services. The budget requirement levels for these services are £144,646,000.
- 2.3 Education, grants and reserves etc. have been excluded at this point, as the detailed investigation required would not meet the original remit. In addition we have excluded service lines, which have no spend attached.
- 2.4 The relevant service areas have been evaluated individually to give clarity to our thought process and are detailed below:

A Highways, Roads & Transport

Highways roads & transport	000's
Transport planning/strategy	538
Structural Maintenance	2523
Environmental safety & routine maintenance	1527
Winter Maintenance	362
Street lighting	1448
Traffic management & road safety; safe routes inc school crossing patrols	178
Traffic management & road safety; other	585
Parking services	-2000
Public transport concessionary fares	3363
Public transport support to operators	1842
Public transport co-ordination	347
TOTAL	10713

- A.1 The main areas of financial reductions can be summarised as:
- Review and optimise the Transport Asset Management Plan (TAMP), the balance of proactive capital works and revenue maintenance works;
 - Re-procure contractor providers and conduct value engineering to ensure best value in:
 - Structural maintenance;
 - Lighting;
 - Signs and lines;
 - Materials provision;
 - Contracted Transport (if outsourced) –strategic sourcing and move to pence per mile.
 - Introduce technology (tracker & handheld technology) to improve productivity of maintenance crews;
 - Performance manage activity levels;
 - Improve back office appeals and services to improve collection rates within parking services;
 - Ensure optimum number of enforcement officers to maximise parking control notices income;
 - Ensure parking control is in place and enforceable in all areas;
 - Fleet procurement –Strategic sourcing for vehicles and maintenance of:
 - Contracted Transport (if outsourced) –strategic sourcing and move to pence per mile;
 - Contracted Transport (if outsourced) –strategic sourcing and move to pence per mile;
 - Internal fleet provision –route rationalisation, reduction in vehicles etc;
 - Internal workshop –reduction in spend on spare parts introducing strategic sourcing and impressed stock, increased income from third parties releasing capacity to undertake the former by reviewing servicing schedules, shifts etc.
- A.2 The general level of financial improvement we would expect to see would be circa 12%, on the projected spend, this would give a saving of £1,285,560.

B Social Services

Social services	000's
Social services strategy - children	133
Children's and family services - other (inc youth justice)	21955
Social services strategy - adults	160
Older people (aged 65 or over) including older mentally ill	29586
Adults aged under 65 with physical disability or sensory impairment	4456
Adults aged under 65 with learning disabilities	9521
Adults aged under 65 with mental health needs	4179
Other adult socials services	1241
Supported employment	301
TOTAL	71532

- B.1 The main areas of financial reductions can be summarised as:
- o Fit for purpose organisational restructure;
 - o Greater development of relationship with housing;
 - o Driving individual budgets;
 - o Developing crisis and rapid response;
 - o Passenger Transport reviews focusing on utilisation;
 - o Maximise income from NHS e.g. intermediate care facilities;
 - o Creating a retail model for community equipment;
 - o A review of commissioning e.g. not giving 3% increase every year to providers – reviewing attracting providers into area as many small family run providers etc;
 - o Reducing agency spend and improving sickness control;
 - o The possibility of transferring any remaining Homecare services to independent sector;
 - o Transferring 50% of in house care homes to independent and 50% redeveloped into specialist care;
 - o Increasing continuing care funding;
 - o Reviewing out of borough placements;
 - o Developing telecare income;
 - o Downscaling transport operation and investing in mainstream solutions;
 - o Application of capping limits to Dom Care package sizes;
 - o Reductions in establishment;
 - o Reduction in use of agency staff.
- B.2 Clearly the efficiencies achieved would give North Haven the opportunity to re-invest to bridge their element of this gap.
- B.3 The general level of financial improvement we would expect to see would be circa 9%, on the projected spend, this would give a saving of £6,437,880.

C Housing GRFA

Housing GRFA		000's
Homelessness		1268
Housing benefits; rent allowances, rent rebates - discretionary payments		130
Housing benefits; administration		2846
Housing welfare supporting people		7896
Other GFRA Housing		1698
TOTAL		13838

- C.1 The main areas of financial reductions can be summarised as:
- o Economies of scale in benefits administration;
 - o Better support to homelessness by more effective use of housing stock;
 - o Development of more effective housing welfare.
- C.2 The general level of financial improvement we would expect to see would be circa 12%, on the projected spend, this would give a saving of £1,660,560.

D Cultural, Environmental & planning services

Cultural, Environmental & planning services		000's
Culture and heritage		3417
Recreation & Sport		3274
Open spaces		3412
Tourism		389
Library services		3036
TOTAL		13528

- D.1 The main areas of financial reductions can be summarised as:
- o More effective use of labour within open spaces;
 - o Economies of scale within culture and tourism;
 - o The development of unified and fit for purpose leisure and sport facilities, based around the 2012 Olympics. NB. An element of these savings would be within the capital programme.
- D.2 The general level of financial improvement we would expect to see would be circa 9%, within revenue. On the projected spend, this would give a saving of £1,217,520. Any capital savings have not been included at this time.

E Environmental services

Environmental services	000's
Cemetery, crematorium and mortuary services	-160
Environmental health - Food safety	459
Environmental health - Public conveniences	352
Environmental health - Other	1686
Licencing	130
Community safety	1530
Flood defence	84
land drainage: internal drainage levy work	48
Coast protection	66
Agriculture & fisheries service	-102
Consumer protection	580
Street cleaning (not chargeable to highways)	1981
Waste collection	3833
Waste disposal	7378
TOTAL	17865

- E.1 The main areas of financial reductions can be summarised as:
- o Economies of scale in re-engineering processes, particularly within environmental health and licencing;
 - o Supply chain evaluation, to include procurement, sharing of assets, resources, specialist teams;
 - o Waste - Reducing the vehicle fleet used in making collections, optimising collection rounds, obtaining better prices for recycling products;
 - o Evaluate current recycling segregation and disposal costs;
 - o Street cleaning – optimising the effectiveness of cleaning rounds to ensure clean areas are not repeatedly cleaned. BV199 effectiveness.
- E.2 The general level of financial improvement we would expect to see would be circa 10%. On the projected spend, this would give a saving of £1,786,500.

F Planning & Development services

Planning & development services		000's
Building & development control, planning policy, environment initiatives		2705
Economic development		1498
Community development		510
TOTAL		4713

- F.1 The main areas of financial reductions can be summarised as:
- o Restructure, utilising economies of scale;
 - o Maximise the housing and planning delivery grant (HPDG);
 - o Maximise section 106 income;
 - o Income management & maximisation;
 - o Technology development – Pendleton criteria for e-service delivery;
 - o Evaluate agency spend.
- F.2 The general level of financial improvement we would expect to see would be circa 10%. On the projected spend, this would give a saving of £471,300.

G Central Services

Central services		000's
Corporate & democratic Core		5706
Local tax collection ; council tax benefits admin		897
Local tax collection ; other		1726
Emergency planning		269
Central services to the public: other		957
Non distributed costs - retirement benefits		2473
Non distributed costs - cost of unused shares of IT facilities & other assets		429
TOTAL		12457

- G.1 The main areas of financial reductions can be summarised as:
- o Streamlining of central functions, including more effective use of technology;
 - o Consolidation of tax collection and debt collection activities across the new authority.
- G.2 The general level of financial improvement we would expect to see would be circa 14%. On the projected spend, this would give a saving of £1,743,980.

3. SUMMARY

- 3.1 The above data gives a broad outline of the level of savings that can be achieved within the new authority, based on the information provided. The total achievable savings would be circa £14,603,300, although significantly more investigation and due diligence would need to be undertaken prior to any further validation of the saving level.

- 3.2 Clearly the timescales in delivery of the savings will vary dependent on the complexity of each of the service areas, together with a clear vision of the new authority, and the political dynamics required to drive proposed changes through.