

ABERDEEN CITY COUNCIL

COMMITTEE:	Education, Culture and Sport
DATE:	2nd June 2011
DIRECTOR	Annette Bruton
TITLE OF REPORT	Update on Progress with Implementation of Priority Based Budgeting Transformation Options
REPORT NUMBER:	ECS/11/031

1. PURPOSE OF REPORT

This report updates members of the Committee on implementation of the service transformation options and service options relating to potential external delivery, outlining the work in progress to deliver the required savings as remitted at the Council Budget Meeting of 10 February 2011.

2. RECOMMENDATION(S)

It is recommended that members of the Committee:

- 2.1 Note the progress to date on implementing the service transformation options and service options relating to potential external delivery required to deliver the identified savings and:
- 2.2 Request an update on continued progress to the Committee on 24th November 2011.

3. FINANCIAL IMPLICATIONS

- 3.1 The successful implementation of the transformation changes outlined in this report contributes to the delivery of a balanced 2011/12 budget and the remainder of the Five Year Business Plan period to 31st March 2016.
- 3.2 The transformation project savings profile for Priority Based budget options deliverable under the Five Year Business Plan for the Directorate are detailed in the table over:

Education, Culture and Sport Transformation Options Savings in £000, Figures in brackets () indicate a saving, figures without brackets indicate a cost						
	Year 1 (2011/12)	Year 2 (2012/13)	Year 3 (2013/14)	Year 4 (2014/15)	Year 5 (2015/16)	5 year total
Gross saving	(2,174)	(3,988)	(4,884)	(5,589)	(7,724)	(24,359)
Implementation costs	590	1,060	70	80	1,406	3,006
Centralisation of redundancy costs	(200)					
Net Annual Saving	(1,784)	(2,928)	(4,814)	(5,509)	(6,318)	(21,353)

4. BACKGROUND / MAIN ISSUES

4.1 The Council meetings of 15th December 2010 and 10th February 2011, approved a package of service options from the Education, Culture and Sport budget of £50.3M by the end of March 2016. The transformation element of these service options totals £21.3M deliverable over the five year period of the current Business Plan from 2011 – 2016. A saving of £1.8M for transformation projects is deliverable in Year 1, 2011 -12.

4.2 The Education, Culture and Sport transformation projects are:

- ECS_C1 Integrated Communities Team Service, Revised Option
- ECS_C26 Reduce the number of Out of Authority Placements by redesign and small addition to existing local services. The delivery of this project is shared with Social Care and Wellbeing.
- ECS_C3 Move to a Cultural Trust
- ECS_E11 Redesign of senior secondary school towards a Virtual City Campus
- ECS_C17 To develop a joint Educational Psychology Service with neighbouring authorities.
- ECS_C25 Potential shared services with other local authorities

Two projects that appear as Efficiency Savings are also included in this report as they have the potential to relate to external delivery models subject to the outcome of an options appraisal process approved at the March 2011 meeting of this committee. These are:

- ECS_C22 Contract Out Non-Staff and Non-School Catering at Beach Ballroom and Art Gallery
- ECS_C10 Root and Branch Review of Commissioned Arts and Sports Services

4.3 It should be noted that there are potential synergies across the projects and officers are working to make the necessary connections, optimise the potential for savings and minimise risks.

4.4 Of the 8 transformation projects which are the subject of this report, 3 are required to deliver savings in Year 1. These are:

- The Integrated Communities Team Service, Revised Option delivering £1.6M net savings;
- Reduce the number of Out of Authority Placements by redesign and small addition to existing local services delivering net savings of £470K; and,
- Root and Branch Review of Commissioned Arts and Sports Services, delivering £64K net savings.

4.5 The update on delivery of savings for each transformation option is detailed below.

4.5.1 Integrated Communities Team Service, Revised Option

2 key strands of work are well underway. These are:

- (i) Move of all citywide community centres to leased centre status. Consultation is ongoing with Community Learning and Development Centre Management Committees and a city-wide consortium of centres has been established. Advanced work on legal documentation is also progressing.
- (ii) Revised structure for Integrated Communities Team. A number of staff are leaving the organisation and working their notice period and work is underway on appointments under the approved structure.

Full savings of £2.4M per annum are required to be delivered from Year 2 onwards.

4.5.2 Reduce the number of Out of Authority Placements by redesign and small addition to existing local services.

A joint Education, Culture and Sport and Social Care and Wellbeing group has agreed revised criteria for out of authority placements and is conducting rigorous case reviews to make decisions on children and young people who are currently in provision out of the City. Linkages to shared service provision are under consideration. Delivery of £470K savings is required in Year 1 from the Education, Culture and Sport budget with additional savings from Social Care and Wellbeing.

4.5.3 Move to a Cultural Trust / Contract Out Non-Staff and Non-School Catering at Beach Ballroom and Art Gallery

Following approval to progress to an initial options appraisal made at March 2011 Education, Culture and Sport Committee, initial investigations are underway on how best to procure individual expert advice on services to be included in the scope of the options appraisal. Implementation costs of £250K are to be incurred in Year 1 and savings of £144K are required to be delivered in Year 3.

The move to a Cultural Trust also incorporates the project to Contract Out Non-Staff and Non-School Catering at Beach Ballroom and Art Gallery

(C22) on the basis that the options appraisal process for the Cultural Trust will also need to address the possible inclusion of the non-staff and non-school catering service. The delivery of savings for C22 is required from Year 2 onwards.

4.5.4 Redesign of senior secondary school towards a Virtual City Campus

In school session 2011-12, approximately 15 additional Advanced Higher courses will be delivered in 2 city-centre secondary schools to which students from across the City can gain access. This is in addition to the existing provision in secondary schools. The courses will cover a wide range of curricular areas and will significantly increase student choice. This development should reduce staffing requirements and provide economies of scale by increasing student numbers in each class. This is a trial year which will inform future developments in subsequent years. Work is also ongoing with Shetland Islands Council to achieve shared course development.

In the longer term, developments include further expanding student curricular choice, broadening the type of learning opportunities to include Highers and vocational qualifications, links with other Local Authorities and use of Information and Communication Technology to enhance learning and potentially reduce staffing costs. Delivery is required by Year 3.

4.5.5 To develop a joint Educational Psychology Service with neighbouring authorities

Building upon existing working relationships and initiating potential new partnerships, officers are progressing discussions and exploring the potential for inclusion as part of the project for potential shared services with other local authorities, (C25). Delivery is required by Year 3.

4.5.6 Potential shared services with other local authorities

Research is being undertaken including case studies of shared services elsewhere in the UK. Initial scoping has been undertaken and further developmental discussions are required with a range of potential partners examining the range of services and service delivery models that could potentially drive out savings of £450K for delivery by Year 2.

4.5.7 Root and Branch Review of Commissioned Arts and Sports Services

At the March 2010 meeting of this Committee, officers were instructed to progress the above review. This will take place over the next two financial years, from April 2011 to March 2013. The appointment of a fixed term post of Commissioning Officer was also approved and having been scoped and evaluated, is currently being advertised internally as a secondment. The review process will commence in detail following the appointment, and in line with the delivery plan, recommendations will be brought before the appropriate committee to action prior to the 2013/14 financial year. Required budget savings for this period will be met by applying a fixed percentage reduction to each commissioned service. Delivery of £64,000 net savings are required in Year 1 from the Root and Branch Review and partners have been advised of the decrease in

funding allocations agreed by Committee. This project links with the project on the options appraisal for the Cultural Trust/Outsourcing non staff and school catering (C3 and C22).

5. IMPACT

- 5.1 The Education, Culture and Sport Directorate delivers a wide range of services so that people can take part in learning, sport and cultural activities including early years services, schools, libraries, museums, community and leisure centres. A sound education opens doors, not just to positive employment opportunities, but also to the enjoyment of art and culture and the stretching of imaginations and horizons. It provides information to enable children, young people and adults to make informed lifestyle choices about, for example, their health and about their journey through life and work.
- 5.2 The Directorate has developed ten strategic priorities that encompass the service's activities and initiatives. These achieve the Council's key strategic objectives and are reflective of the national priorities set by the Scottish Government. Underpinning all of these priority themes are the objectives to improve attainment and achievement for all our learners and to close the gaps in learning, participation and employment outcomes that exist within the City. The strategic objectives link to the transformation options as detailed in the following table.

Directorate Strategic Objective	Transformation Option
1. Curriculum for Excellence	C1, C26, E11, C25, C17
2. Fit for Purpose Schools/Learning Centres	C1, C3, E11, C25
3. Learning in the wider community	C1, C3, C25, C10
4. Technology	E11, C10, C25
5. Health and wellbeing	C1, C10, C26, C17, C22
6. Engagement in arts, culture and heritage	C1, C3, C10
7. Helping those with different needs	C1, C26, C3, E11, E17, C25, C10
8. Better Performing/Value for Money	C1, C26, C3, C10, E11, C17, C22, C25
9. Skilled and Trained Staff	C1, C3, E11, C17
10. Working together	C1, C10, C22, C26, C3, E11, C17, C25

- 5.3 The implications and risks of each of the transformation savings options have already been identified in the development of the respective business cases and are being addressed as part of the delivery of the saving. All priority based budgeting savings are included in the Service Business Plan and savings reports will be generated through Covalent and monitored by the Directorate Senior Management Team. Equality impacts have already been completed as part of the budget setting process.

6 BACKGROUND PAPERS

Business cases for the transformation options which are the subject of this report.

7 REPORT AUTHOR DETAILS

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