

Future Services Framework

The COVID-19 outbreak created an immediate and deep downturn in the global economy that will significantly impact on the needs of our residents and businesses over the coming years. Alongside these challenges it also potentially requires us to reconsider how we support our communities and reset how we operate as a Council.

Whilst many things still remain uncertain, one known challenge facing us is our funding and income levels during and post COVID-19 will be heavily affected. This new financial landscape dictates that we must critically challenge how we provide our services, and to what extent, so that we can ensure the continued delivery of our statutory functions to an excellent standard and thereby meet the needs of our district.

In planning this piece of work Officers have considered how best to review our services whilst protecting service delivery. First and foremost we must challenge ourselves to make sure that we are delivering our services as efficiently and effectively as possible. Once that process has been completed the proposed approach is to carry out an in-depth review of all services to make certain that they best meet the needs of our residents and businesses.

The proposal is to break this project down into 3 key areas;

- 1) Efficiency savings: an inward-facing review of all services to identify opportunities that boost productivity and generate cashable efficiency savings.
- 2) Policy options: will stem from the efficiency savings work but these relate specifically to those requiring a Member decision prior to adoption.
- 3) Service prioritisation: an exercise to categorise services between 'statutory', 'optional', and 'enhanced' in order to help members plug any funding gap remaining after the 2 points above.

The intention is for points 1 and 2 to be completed over the Autumn/ Winter of this year to allow cost reductions to feed into the 2021-22 budget cycle, whereas point 3 is a more substantial piece of work requiring significant member/community input and so the planned completion for this piece of work is Autumn 2021 with the budget adjustments likely to take effect from 2022-23 onwards.

1. Efficiency Savings

The Council's policy remains to protect frontline service provision by delivering our services as efficiently and effectively as possible. Whilst this pandemic has clearly caused great difficulties for our residents, businesses, and this Council, it has demonstrated some opportunities to work differently that could boost productivity and generate cashable efficiency savings.

COVID-19 has forced services to work differently, redesigning processes to allow staff to primarily work from home whilst still delivering a good service to our

customers. This brings benefits in terms of productivity, reduced travel time, and less time spent making offsite visits. Officers will be tasked with capturing these efficiencies to ensure they're not lost over time.

In addition Divisional Managers will seek to challenge their current service delivery models and identify areas of improvement. By identifying and realising these gains Officers will seek to generate budget savings without impacting on service provision.

These changes can, where appropriate, be implemented as soon as possible and will be the first building block towards bridging the budget deficit.

2. Policy Options

As part of the same evaluation process Officers may identify and propose changes that do impact, at least to an extent, upon service provision. These may include innovative ideas to change the way that we deliver our services, and the proposals would need to generate efficiency savings and the impact on our residents and businesses would need to be relatively minor. Each option would require a policy decision to be made by Members. An example of this could be amending our CCTV monitoring arrangements.

Once Officers have identified the options that have a viable business case a report will be brought to members to consider which policy options they support. These will be added to the efficiency savings to give a total budget reduction that can be achieved without materially affecting frontline service delivery.

3. Service Prioritisation

Once the efficiency savings and policy options have all been considered and incorporated it is likely that we will still be facing a budget deficit. We need to plan our response should we be faced with this situation. To do this we should consider, analyse, and prioritise the services that we currently provide and any new services that we may want to introduce.

Consideration must first be given to what we must provide (our Statutory services), and then what we would like to provide (our Optional services). Much of this work can be undertaken in advance of us fully understanding our medium term financial position, thereby preparing us to deliver it at the appropriate stage and without delay.

Services and projects should be analysed and challenged; we will consult with our communities and realign our resources where appropriate to protect statutory services and continue to deliver on the economic and social needs of our residents and businesses.

3.1 Proposed Approach

Phase 1 – Data Gathering

Gather the metrics for each service to understand what resource (money and people) is currently committed to them and how the demand for each service may now change. As the picture is impossible to accurately predict at this stage we will need to use scenarios and then model how those various changes in demand would impact on resource requirements and income levels.

Phase 2 - Categorisation

Carry out a high-level review of all Council services that categorises them between 'statutory', 'optional', and 'enhanced'.

To effectively complete this exercise we must understand and define the extent to which we provide the service compared to the basic requirements, we will break that down into two elements – 'basic', and 'enhanced'. E.g. Planning is a statutory service but will be broken down into 2 sub categories, 'statutory basic' will be the minimum requirement to deliver our statutory duty to acceptable levels, and 'statutory enhanced' will be the additional resource we could/do allocate in order to improve performance above that level.

The categorisation table will be as follows;

Category	Short Code	Description
Statutory Basic	S	Minimum service level required to satisfy our statutory responsibilities to an acceptable level
Optional Basic	O	Essential service requirements to deliver our non-statutory services in line with locally defined and evidenced areas of need
Statutory Enhanced	S+	Additional service investment required to supplement the basic statutory requirements and deliver improved performance
Optional Enhanced	O+	Additional investment that makes a further positive impact against our local priorities

In addition to the categorisation table above, services will subsequently have additional notes against them to stipulate where the responsibility for a service or function ultimately sits. Examples may be District Council, County Council, NHS, etc. with the aim to provide additional clarity when determining where resources must be focused or perhaps where a more supportive role may be more appropriate.

Phase 3 – Service Impact

Once the categorisation and metrics have been compiled the impact each service has on our residents must be captured and challenged. The way we'll approach this is by measuring and presenting impact in two categories.

- Depth – the significance of the benefit on residents or businesses because of our ability to influence and positively impact on outcomes (e.g. Benefit claimants' lives are significantly impacted by the Benefits service).
- Breadth – the number of residents or businesses as a proportion of the District who are benefiting from the service (e.g. Waste Collection impacts every household).

This work will be supplemented by the inclusion of a costs to benefits ratio. This will provide Members with a headline financial indicator of the cost to our local tax payers for each service compared to the number of local people who benefit.

Phase 4 – Prioritisation

Once phases 1 to 3 have been completed, Members will have the required information to make informed decisions around prioritising services that factor in the legal duty, community benefit, and economic impact. The proposed approach will provide the framework for members to define what the post-COVID19 Council looks.

Services categorised as Statutory Basic (S) that the Council must deliver to an expected standard will be grouped and form the first building block of the future Council. All other services after that will be incorporated on a priority basis dependent upon the level of budget available to the Council.

That prioritisation will initially be listed and ranked by the service impact score, then sub-categorised by the costs to benefits ratio. This is the starting point for the recommended prioritisation of services.

Members will have the opportunity to challenge and amend the recommended categorisation, and ultimately also to move any service up or down their list of priorities should they wish to do so. Once the implications of COVID-19 on Council budgets are known this will be the final element to factor in, and if necessary the rankings will be used as a guide to inform members the most appropriate areas to withdraw resources in order to protect other key services.

An example of how the final framework would be presented is included on the next page.

Future Services Framework

Budget Availability (as an example) £28,500,000

Category	Ref	Rank	Service	Impact Score (higher is better)	Cost / Benefit (lower is better)	Direct Budget	Cumulative Budget	Sufficient Funding Available?
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Statutory Services - Basic	S1	1	Service A	80	£88	£4,400,000	£4,400,000	Yes
	S2	2	Service B	56	£41	£2,040,000	£6,440,000	Yes
	S3	3	Service C	56	£44	£2,200,000	£8,640,000	Yes
	S4	4	Service D	56	£109	£2,400,000	£11,040,000	Yes
	S5	5	Service E	56	£60	£3,000,000	£14,040,000	Yes
	S6	6	Service F	50	£8	£420,000	£14,460,000	Yes
	S7	7	Service G	50	£20	£160,000	£14,620,000	Yes
	S8	8	Service H	35	£114	£400,000	£15,020,000	Yes
	S9	9	Service I	35	£158	£950,000	£15,970,000	Yes
	S10	10	Service J	30	£453	£1,360,000	£17,330,000	Yes
	S11	11	Service K	30	£786	£1,100,000	£18,430,000	Yes
	S12	12	Service L	24	£5	£240,000	£18,670,000	Yes

Optional Services - Basic	O1	13	Service M	56	£28	£1,400,000	£20,070,000	Yes
	O2	14	Service N	35	-£29	-£400,000	£19,670,000	Yes
	O3	15	Service O	24	£66	£1,650,000	£21,320,000	Yes
	O4	16	Service P	21	£135	£270,000	£21,590,000	Yes
	O5	17	Service Q	15	£38	£250,000	£21,840,000	Yes
	O6	18	Service R	15	£71	£1,000,000	£22,840,000	Yes
	O7	19	Service S	14	£500	£150,000	£22,990,000	Yes
	O8	20	Service T	14	£1,000	£250,000	£23,240,000	Yes
	O9	21	Service U	14	£2,800	£280,000	£23,520,000	Yes
	O10	22	Service V	9	£563	£450,000	£23,970,000	Yes

Enhanced Services (additional to the Basic requirements)	S2+	23	Service B	56	£8	£376,000	£24,346,000	Yes
	S5+	24	Service E	56	£16	£820,000	£25,166,000	Yes
	O2+	25	Service N	30	£29	£400,000	£25,566,000	Yes
	O1+	26	Service M	24	£8	£400,000	£25,966,000	Yes
	S1+	27	Service A	21	£24	£1,210,000	£27,176,000	Yes
	S6+	28	Service F	21	£192	£480,000	£27,656,000	Yes
	O7+	29	Service S	20	£267	£80,000	£27,736,000	Yes
	S11+	30	Service K	20	£750	£450,000	£28,186,000	Yes
	S10+	31	Service J	20	£4,933	£370,000	£28,556,000	No
	O6+	32	Service R	15	£21	£300,000	£28,856,000	No
	S4+	33	Service D	15	£41	£490,000	£29,346,000	No
	S7+	34	Service G	9	£33	£40,000	£29,386,000	No
	O10+	35	Service V	9	£150	£120,000	£29,506,000	No
	O3+	36	Service O	8	£11	£280,000	£29,786,000	No
	O4+	37	Service P	6	£65	£130,000	£29,916,000	No
	O5+	38	Service Q	3	£8	£50,000	£29,966,000	No

4. Next Steps

1. Proposed approach to be considered by O&SC in June, and Cabinet and Council in July.
2. Efficiency review to commence in July 2020 and complete by December 2020.
3. Policy Options to be brought forward to members for consideration as part of the 2021-22 budget cycle.
4. Officers to compile background information and prepare draft service prioritisation for members to subsequently challenge, input, and amend as appropriate – works to begin July 2020 and complete for the 2022-23 budget cycle.