

Working with you to shape Stirling's future

Draft Report October 2014

Priority
BASED BUDGETING



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Introduction and Purpose

Stirling Council is committed to delivering high quality services that meet priorities and outcomes that have been agreed with our communities.

This report is a starting point for a period of engagement with our communities which will give members of the public the chance to have detailed discussions with Council Officers to allow them to influence, shape and suggest ways in which services can be delivered more effectively and efficiently in future. This will help the Council to ensure that resources are better targeted towards priorities for users of our services.

Context

Stirling Council invests around £200m every year in the delivery of its services. However, rising costs at a time of financial constraint mean that we have to make real choices about how we spend money to make sure that the investment does as much as it can to provide good quality services. To do this, the Council is continuing to use the Priority Based Budgeting process that it used for the first time last year. This approach seeks to match available resources to priorities through detailed engagement with the citizens, partners, stakeholders and staff. It promotes an open approach to budget setting and encourages us to work together to meet budget challenges, ensure best use of resources and focus on priorities.

The Report

This report outlines options that Council Officers are proposing this year. They have been prepared by the Council Management Team (Officers), not by the Council (Elected Members), and they form the starting point for conversations with our communities and stakeholders. Feedback on these options as well as additional ideas suggested at the community conversations will all be considered by the Council before setting the budget in February 2015.



Community Engagement

Engagement with the public and with partners is a very important element of this process. The contributions from our communities last year were very valuable and did directly influence the decision making and the final budget. We want to build on the positive elements of last year's process and continue to learn from our experience as we go forward.

During last year's community engagement, around 330 people attended the public meetings in November and December. More than 200 people responded to the survey and around 200 further comments and responses were received by the Council. All of this feedback was considered carefully by elected members and directly influenced which options they accepted and which they did not.

It is hoped that more people will get involved this time around and help to shape the decision making.

A series of 'Community Conversations' have been set up to follow the publication of this report:

Monday, 27 October 2014	Killin Primary School	7.00pm – 9.00pm
Thursday, 30 October 2014	Stirling High School	7.00pm – 9.00pm
Tuesday, 4 November 2014	McLaren High School	7.00pm – 9.00pm
Thursday, 6 November 2014	Dunblane High School	7.00pm – 9.00pm
Tuesday, 11 November 2014	Wallace High School	7.00pm – 9.00pm
Thursday, 13 November 2014	Bannockburn High School	7.00pm – 9.00pm
Tuesday, 25 November 2014	Balfron High School	7.00pm – 9.00pm

A Business Breakfast Briefing will be held on Friday, 7 November 2014 from 8.30am – 10.30am at the Albert Halls in Stirling.



Executive Summary

Update on Financial Position

In common with all Scottish councils, and most public sector bodies in general, Stirling Council is currently operating in a challenging financial environment as central government continues to address the record levels of national borrowing. A consequence of this is that the amount of central government grant that has been available to councils to support the delivery of services has not been increasing at the levels of the years prior to the recession. As a result, funding increases have not been sufficient to meet cost increases caused by rising prices and additional service demands. All councils are facing the inevitability of having to make reductions in the cost of services, in order to set balanced and sustainable budgets over the coming years. The financial position set out in this report contains a number of underlying assumptions, some of which will be more certain than others at this time. In particular, the grant that is expected to be received from central government, which accounts for around 80% of the Council's funding, is only known with any degree of certainty for 2015/16. Beyond that year, assumptions have been made, based on economic and fiscal analysis from a range of sources. As time progresses, these assumptions will be reviewed and changes made if necessary in the light of any updated information that becomes available.

The current position regarding expected funding, and projected expenditure based on the Council budget as approved in February 2014 is as follows:

Draft Budget Position	£'000 2015/16	£'000 2016/17	£'000 2017/18	£'000 2018/19	£'000 2019/20
Projected Spend	207,663	211,090	215,432	219,755	225,261
Less Funding Available	207,935	206,526	205,133	203,757	204,026
Indicative (Surplus) / Shortfall	(272)	4,564	10,299	15,998	21,235
Less Proposed Savings Options (Cumulative)	552	1,263	1,875	2,206	2,361
Add One off Investment Required *	150	1,000	270	210	0
Draft Budget (Surplus) / Shortfall	(674)	4,301	8,694	14,002	18,874

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



The above financial position contains a number of assumptions, some of which will be more certain than others. In particular, the grant that is expected to be received from central government, which accounts for around 80% of the Council's funding, is only known with any degree of certainty for 2015/16.

Following the Council Management Team Corporate Round Tables held on 3rd September, 17th September and 6th October, a number of Service Options have 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 Key Priorities is contained in Appendix 1.

The purpose of the engagement process over the next 2 months will be to provide an opportunity to get feedback on these options as well as any additional ideas. This will influence and help refine the draft budget prior to its submission to Stirling Council in February 2015. This will allow the Council to consider the views of stakeholders, before approval of the budget.

Council will be asked to approve the 2015/16 General Fund Revenue Budget in February 2015. This will set the revenue budget for 2015/16 and the provisional budget for the following 4 years, including the approval of Options intended to deliver some of the necessary savings across the 5 year period. Delivery of the approved Options over the next 5 years will be carried out by officers throughout the council, and co-ordinated through an established Programme Management Office.



As part of the challenge process during the 2013/14 Corporate Round Table, the Council Management Team (CMT) considered cost growth pressures on the next 5 years' budget, and applied a risk based approach to managing these cost pressures over that period which created a risk fund. These cost pressures will 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, will be a core part of the Priority Based Budget process.

A review of the growth items was carried out with the likelihood of occurrence and potential cost impact for each item considered. From this an assessed risk fund covering the 5 year budget period has been identified. The growth items included were:

- Big Noise Raploch – Continued Funding
- 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

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

As part of this year's PBB process any new growth items will be risk assessed and the risk fund will be amended accordingly.



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Section 1

CONTEXT AND APPROACH



Context

In 2013, the future funding challenge faced by the Council required an approach that ensures funds are used to deliver agreed prioritised service outcomes. A priority based budget (“PBB”) approach has therefore been adopted to determine future service and cost commitments to bridge the 5-year funding gap. This is the second year of the PBB approach to budget setting.

Stirling Council:

- Has delivered £4.04M of savings in 2012/13 and £6.70M of savings in 2013/14
- Is delivering £6.51M savings in 2014/15

However:

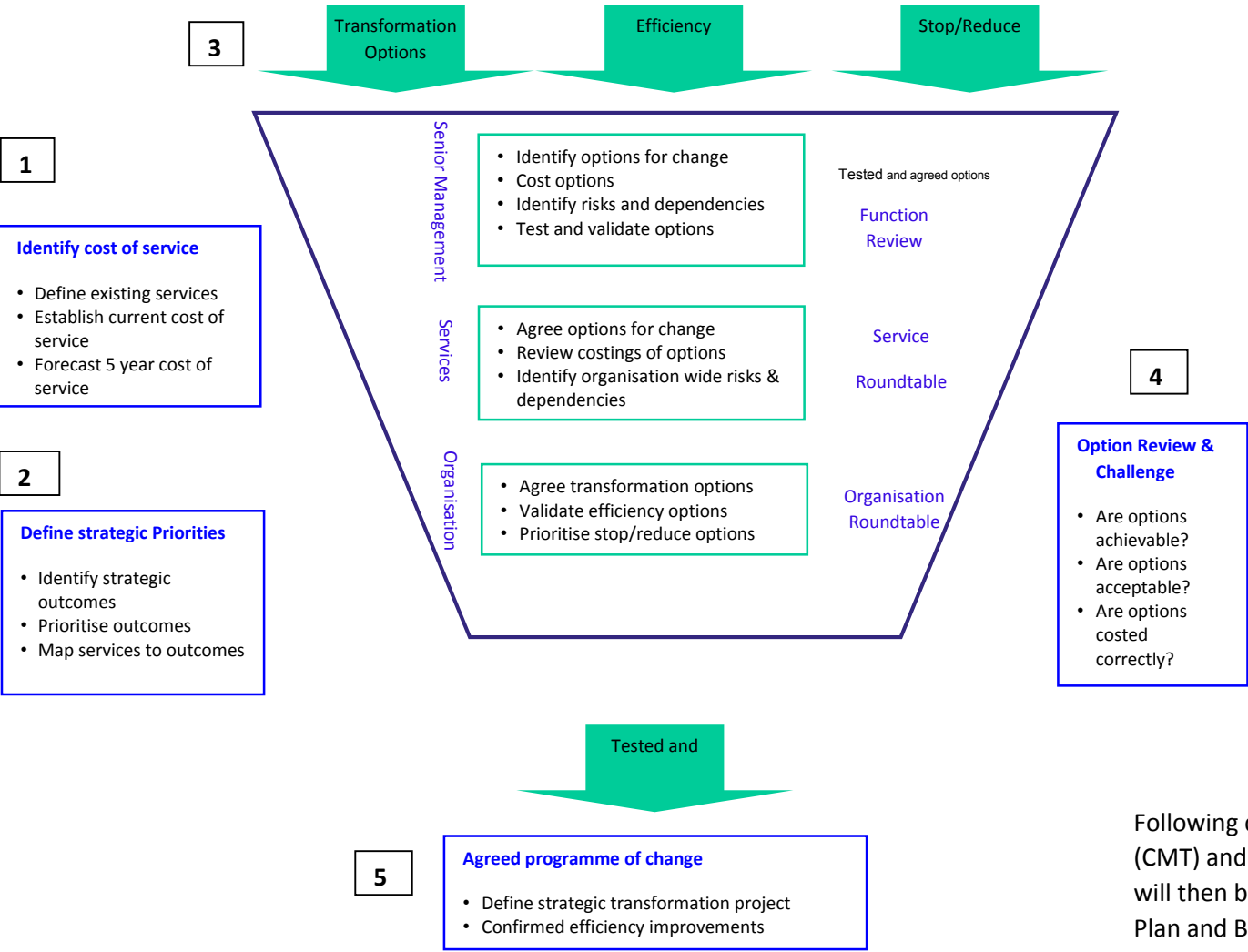
- Expectations and demand for services continues to increase
- Changes in legislation and pension cost pressures will add to costs
- The cost of services is forecast to increase by approximately 10.2% over the next 5 years while the funding available to pay for services is expected to reduce by 0.2%.
- This funding gap is currently estimated to be £21.235M by 2019/20 before taking account of savings options.

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 with Options identified by Services.
- A risk-based approach to the 2014/15 priority based budget has been applied to growth areas of the budget and will be used in future years. The Council has a risk fund which captures 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.



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 decisions are needed.
3. Develop transformation, efficiency and stop/reduce options for reducing expenditure.
4. Test the feasibility and benefits of 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 is an iterative process at Senior Management and organisational level.

Options are evolved and were filtered out during each stage of review.



Definition of Option Categories

Options are categorised into three groups:

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 expected 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 against 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

Options

Summary of consolidated savings proposed

The following table summarises the Cumulative position of the Service Options which are proposed to be delivered as part of the 5 year Business Plan demonstrating the Council's commitment to implementing a fully-costed business plan over the medium term.

PROPOSED OPTIONS SAVINGS IN YEAR	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Theme 1 – Education and Children	126	719	1,194	1,419	1,504
Theme 2 - Our Environment					
a) Roads and Car Parking	241	301	368	444	504
b) Waste	13	28	83	83	83
Theme 3 - Community Life and Business	62	95	110	140	150
Internal Efficiencies	110	120	120	120	120
TOTAL	552	1,263	1,875	2,206	2,361

Explanation of cumulative savings:

In the above table for Theme 1- Education and Children savings of £126,000 are proposed for 2015/16.

Additional saving of £593,000 are proposed for 2016/17 which when added to the savings of £126,000 gives a cumulative total of £719,000.

Additional saving of £475,000 are proposed for 2017/18 which when added to the savings of £719,000 gives a cumulative total of £1,194,000.

Additional saving of £225,000 are proposed for 2018/19 which when added to the savings of £1,194,000 gives a cumulative total of £1,419,000.

Additional saving of £85,000 are proposed for 2019/20 which when added to the savings of £1,419,000 gives a cumulative total of £1,504,000.

In addition to the options included in the table above which are shown below work is actively ongoing to identify savings from Procurement, use of Solar Compact Bins, Resource Allocation Group and Active Stirling. These will be brought forward and considered as part of the 2015/16 budget setting.

Further information and detail on each of the options can be found in the individual Option Forms, separately available, under each of the themes, on the Council website. (<http://my.stirling.gov.uk/services/council-and-government/shapingstirling>)

Theme 1 – Education and Children

Education and Children - Description of Options

Note: the Scottish Government has recently confirmed that, should councils be able to reach agreement with partners through engagement mechanisms to introduce flexibilities which will capture service efficiencies while still delivering the same educational outcomes, the national commitment on teacher numbers for any individual council could be relaxed for 2015/16. This will therefore make the delivery of service efficiencies or improvements more feasible if it can be demonstrated that there is no adverse impact on service outcomes.

Reference	Title	Description
EDU017	Move Playhaven to a Self-Sustainable Funding Basis	Playhaven Out-of-School Care is located and operated out of Raploch Community Campus. Over the last two years, with support from the Education Service, Playhaven Out-of-School Care provision has been working towards being completely self-sufficient. This process has been successful and has resulted in Playhaven being in a strong financial position, therefore, not in need of the £10,000 support from the Education Service. The Education Service will continue to provide professional advice and support to Playhaven as part of the overall support to Out of School Care provisions.
EDU020	Review Commissioning - Music Therapy Services	This option proposes to review the Service Level Agreements for the commissioning of Music Therapy, from external providers such as Nordoff Robbins, and to re-negotiate the contract in order to reduce costs.
EDU021	Review Commissioning - Art Therapy Services	This option proposes to review the Service Level Agreements for the commissioning of Art Therapy, from external providers such as Artlink, and to re-negotiate the contract in order to reduce costs.
EDU022	Withdraw from Commissioning - Riding for the Disabled (RDA)	This option proposes to withdraw from the Service Level Agreements for the commissioning of Riding for the Disabled. RDA has now suspended their operations as they have no facilities or accommodation to provide this service. In light of this, and given that there are no similar providers, the Service seeks to withdraw funding for RDA.
EDU024	Reduction of Additional Support Needs Outreach Management Team	This option proposes a reduction in the management team of Additional Support Needs Outreach Service from 2 Full Time Equivalent (FTE) co-ordinators to 1 FTE. A phased reduction from August 2014 to 2018 is expected.

Reference	Title	Description
EDU035	Increase Nursery Fee Charges	In Stirling, childcare can be purchased at extended day nurseries for children aged 0-5 years. Charges are imposed for all hours that are in addition to the minimum free childcare as determined by Scottish Government. Currently, charges are set at £2.85 per hour for all children regardless of age. This option recognises that the cost to the Council of providing childcare to younger children is higher owing to the higher staffing levels required. Therefore, this option proposes to introduce the following fee structure: 0-2's £3.50; 2-3's £3.25; 3-5's £3.00. (Benchmarking with the private sector shows that charges in the private sector range from £2.80 to £5.40 for 3-5's; £4.00 to £5.05 for 2-3's; and in excess of £5.00 for 0-2's. Further benchmarking with a sample of local authorities shows that charges range from £3.00 to £4.60). Therefore, the proposed fee structure remains competitive and sits at the low end of charges imposed by other local authorities. It is noted that charges will be subject to annual review.
EDU037	Re-design of Nursery Teaching Provision (Pre -School)	The Council employs a central team of 7 full time equivalent nursery teachers, who provide all three and four year olds at nursery access to a fully qualified teacher. The team covers all 11 extended day nurseries, 18 nursery classes and 15 private and voluntary providers. At the moment, each establishment is visited by a teacher for a block of 4 weeks per academic year. Teachers are not part of the adult:child ratios in nursery, so they are in addition to the minimum complement of staff in nurseries. This option looks to redesign the way in which three and four year olds receive access to a nursery teacher by reducing the number of teachers in the central team. Given the level of redesign required, it is anticipated that any savings will be realised from August 2016.
EDU054	Review delivery of the Music Service in Primary Schools	This proposal seeks to support class teachers to deliver a quality music experience for all primary pupils that will ensure a structured and coherent programme is in place for children across all curricular areas in primary schools. It is the role of the individual primary class teachers to design the curriculum for each of their pupils, including the delivery of music. In the proposed revised model, music would be taught by class teachers, as with the other components of Expressive Arts - for example, art and drama. Already, many class teachers include music within their learning and teaching programmes, with visiting specialists providing additional support. Class teachers have access to curriculum guidance, a range of resources and exemplification of standards for all curriculum areas including the Expressive Arts subjects to support them in their professional duties. Savings will be achieved by the re-deployment of the specialist team of Music practitioners, ensuring that skills will be maximised within their respective schools and learning communities.
EDU055	Review delivery of the Physical Education Service in Primary Schools	This proposal seeks to upskill class teachers to deliver a quality physical education (PE) experience for primary pupils, thereby ensuring a structured and coherent programme is in place. It is the role of the individual primary class teacher to design the learning intentions for each of their pupils with regards to the delivery of physical education. Through the national PE initiative, class teachers will be upskilled by helping them to timetable 2 hours of quality PE. The process will be driven by Education's PE Manager, who will ensure class teachers have the necessary skills to deliver a robust and exciting physical education programme. Savings will be achieved by the re-deployment of the specialist team of PE practitioners ensuring that skills will be maximised within their respective schools and learning communities.

Reference	Title	Description
EDU065	Maximise Primary Class Sizes	This option proposes to operate schools with the minimum number of teachers to maximum numbers of pupils within classes P1 - P7 from August 2016. There will be an annual review of teacher and pupil ratios thereafter and will be in line with actual pupil rolls and the Scottish Government's recommendation for class sizes (Primary 1 - 25; Primary 2 & 3 - 30; Primary 4 to 7 - 33; Composite classes - 25).
EDU069	Transforming approach to Secondary Education	This is a proposal for Transformational Change based on a review of the Senior Phase timetables to enable consortia working thus affording greater personalisation and choice for young people. It enables a focussed delivery of the Wood Report findings (Education Working For All) through better facilitation of work based learning opportunities/apprenticeships as well as vocational training opportunities. It will enable the delivery of a more efficient timetable model which will maximise teacher contact time, leading to staff savings as well as providing the entitlements to Physical Education, Religious Education and Personal & Social Education. This also enables flexible learning via IT solutions which will further support curricular personalisation and choice for young people.
EDU072	Review Governance Arrangements for Shared Services	Currently, education services are delivered as part of a shared service with another local authority. This option proposes to increase opportunities for further enhancement of shared services for the provision of strategic management of education functions. It is expected that resources can be streamlined through maximising opportunities within the support services in education and as part of the shared services agenda. The Service will engage with a consultant to develop the business case for this proposal which will then assist in ascertaining what savings can be made.
EDU073	Reduction of Additional Support Needs Teachers in Secondary Schools	The central Additional Support Needs (ASN) budget currently supports 10.6 Full Time Equivalent (FTE) ASN teachers within Secondary Schools, helping to fulfil the commitment to mainstream education for all children and young people. This option proposes to reduce the current allocation of 10.6 FTE to 8.6 FTE across the Secondary Schools.
EDU086	Additional Support Needs Outreach Service – Shared Services	This option proposes to combine and develop the current Outreach Services model within the Shared Services. It seeks to increase opportunities for further shared services to enable Education to continue to meet the needs of children and young people with additional support needs (ASN), specifically for those who benefit from ASN Outreach Services. Within a shared services model there are opportunities to unify systems and processes; thereby, providing greater scope for staff to maximise their skills, knowledge and experience. This option would enable strategic developments with other services to be utilised fully and therefore would achieve best value.
EDU096	Re-Design of Summer Provision for 0-5s	Data gathered, by the Education Service, from all nine extended day nurseries of childcare during the summer, for children aged 0-5 years, demonstrates a relatively low uptake for the provision. Whilst there has already been a reduction in this area previously, there are still opportunities for further efficiencies by re-designing the provision.

Reference	Title	Description
EDU097	Review of recharges for Outwith Authority Placements	This option looks to review the inter-authority charges for pupils from other local authorities who are placed in Stirling Council establishments. Costs per place differ substantially, in particular those within Social Emotional Behavioural Needs Service with Stirling Cost per Place for Secondary Provision £22,000 per annum. A similar placement at a neighbouring local authority costs £37,460. This is a review in respect to increasing income with a target of 1 pupil placed within a Stirling Council establishment. Associated income was agreed for 2014/15 and this option is therefore to review and extend this agreement.
SOC022	Introduction of Charging Policy for Children's Services	This would involve financial assessment of parents and carers taking into account income, including benefits provided in relation to care needs. This might include contribution towards the cost of respite, including meal costs and transport and other care and support offered to children such as care at home.
SOC034	Creation of Joint fostering and permanence panel	There is an opportunity within the shared service approach to have a joint fostering and permanence panel across Stirling and Clackmannanshire. Currently there are separate panels within the 2 councils that meet every quarter and this proposal is to combine these panels into one to cover the shared service, to create a shared approach and to create efficiencies.

Education and Children – Financial Savings

Reference	Title	Option Type	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
EDU017	Move Playhaven to a Self-Sustainable Funding Basis	Efficiency	10	10	10	10	10
EDU020	Review Commissioning - Music Therapy Services	Stop / Reduce	5	8	8	8	8
EDU021	Review Commissioning - Art Therapy Services	Stop / Reduce	7	10	10	10	10
EDU022	Withdraw from Commissioning - Riding for the Disabled (RDA)	Stop / Reduce	13	13	13	13	13
EDU024	Reduction of Additional Support Needs Outreach Management Team	Efficiency	15	46	46	46	46
EDU035	Increase Nursery Fee Charges	Fees and Charges	43	43	43	43	43
EDU037	Re-design of Nursery Teaching Provision (Pre -School)	Efficiency	0	79	126	126	126

Reference	Title	Option Type	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
EDU054	Review delivery of the Music Service in Primary Schools	Transformational Change	0	100	160	160	160
EDU055	Review delivery of the Physical Education Service in Primary Schools	Transformational Change	0	136	218	218	218
EDU065	Maximise Primary Class Sizes	Efficiency	0	40	64	64	64
EDU069	Transforming approach to Secondary Education	Transformational Change	0	141	367	592	677
EDU072	Review Governance Arrangements for Shared Services	Transformational Change	0	0	0	0	0
EDU073	Reduction of Additional Support Needs Teachers in Secondary Schools	Efficiency	0	25	40	40	40
EDU086	Additional Support Needs Outreach Service – Shared Services	Efficiency	0	35	56	56	56
EDU096	Re-Design of Summer Provision for 0-5s	PILOT - Transformational Change	0	0	0	0	0
EDU097	Review of recharges for Outwith Authority Placements	Efficiency	10	10	10	10	10
SOC022	Introduction of Charging Policy for Children's Services	Fees and Charges	15	15	15	15	15
SOC034	Creation of Joint fostering and permanence panel	Efficiency	8	8	8	8	8
			126	719	1,194	1,419	1,504

Theme 2 – Our Environment

a) Roads / Car Parking

Roads / Car Parking - Description of Options

Reference	Title	Description
ENV034	Review / Optimisation of Winter Service Priority 1 Routes	This option seeks to raise the current threshold for Priority 1 treatment (precautionary salt treatment and clearance of snow and ice accumulations 24hrs per day) from 800 vehicles per day. This continues to ensure that the most heavily trafficked routes receive the highest level of priority treatment. The exact locations and lengths of carriageway this will affect cannot be determined until a full optimisation exercise is undertaken by the Service but the reduction in treatment will be greatest on Rural roads because they have lower traffic flows.
ENV035	Capital Investment in Road Surfacing to reduce spend on temporary repairs	This proposal is to increase the capital investment in road surfacing from £4m to £5.5m per annum to reduce the revenue budget for roads maintenance activities. This proposal uses the National Budget Forecasting Model and Road Maintenance Condition Survey as the base criteria. The current capital budget for Roads is £3.979m, which only manages to maintain the road network at current condition levels. By investing a further £1.521m, this would allow a positive improvement to the condition of the network thus reducing road repair costs.
ENV037	Review / Optimisation of Winter Service Priority Routes 2, 3 & Footways	This option seeks to raise the current threshold for Priority 2 & 3 treatment from 600 and 400 vehicles per day respectively to reduce treatment route lengths by 50%. The impact of doing this will be greatest on Rural roads because they have lower traffic flows. This option also considers reduction in footway treatment of 40%. A full route review and optimisation exercise will be undertaken by the Service.
ENV054	Rationalise Council Owned City Centre Car Parks	This proposal is to reduce the number of council owned city centre car parks, to maximise utilisation of remaining car parks, and release potential development opportunities. The closure of Viewforth and Wellgreen (surfaced) car parks would enable the redevelopment of these sites, whilst accommodating parking demands in other city centre car parks, such as Wellgreen Multi-storey where there is underutilisation. Viewforth Car Park has already been identified as a development site within the Viewforth Master Plan, however, Wellgreen (surfaced) car park could also be released.
ENV075	Civic Sponsorship	This proposal is a pilot for the introduction of Civic Sponsorship opportunities within Stirling. The pilot would focus on selected public realm infrastructure (e.g. roundabouts) to establish a policy framework and test the market for civic sponsorship in Stirling. The pilot would be reviewed after the first year, and consideration given to expand this to other suitable assets and locations if appropriate. Civic sponsorship is common among other local authorities, although the format and location of sponsorship material and the level of income generated varies considerably. A policy would need to be agreed which maximised the opportunities, whilst addressing any planning or road safety considerations. Depending on the level of income generated, consideration could be given to how this can be used to support economic development in Stirling e.g. promotion of start-up businesses.

Roads / Car Parking – Financial Savings

Reference	Title	Option Type	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
ENV034	Review / Optimisation of Winter Service Priority 1 Routes	Stop / Reduce	81	81	81	81	81
ENV035	Capital Investment in Road Surfacing to reduce spend on temporary repairs	Efficiency	0	60	120	180	240
ENV037	Review / Optimisation of Winter Service Priority Routes 2, 3 & Footways	Stop / Reduce	167	167	167	167	167
ENV054	Rationalise Council Owned City Centre Car Parks	Efficiency	-7	-7	0	16	16
ENV075	Civic Sponsorship	PILOT - Fees and Charges	0	0	0	0	0
			241	301	368	444	504

Theme 2 – Our Environment

b) Waste

Waste - Description of Options

Reference	Title	Description
ENV005	Introduction of road end collection policy	This proposal is to reduce the number of locations where waste collections are made on private roads. This would limit the majority of domestic waste collections to the nearest point on the public road. Residents who live along private roads would require to take their waste to be collected at the designated point near the public road.
ENV074	Remove Special Uplift Concessions	The Special Uplift service currently allow concessions to OAP's. This option would remove all concessions from the service and allow the service to move towards a full cost recovery level.
ENV076	Mixed Plastic Segregation for Grey Bins	This pilot option would see mixed plastics being source separated by householders, in line with the Producer Responsibility Principle. Initially householders would be asked to collect mixed plastics in a clear bag to be added into their grey bin. The grey bin would continue to be collected on its normal two weekly cycle. The clear bags could then be easily removed at the Polmaise Material Recycling Facility (MRF) picking line and sent to a low value market, gaining income and saving landfill costs. There is potential for the pilot to be extended to other bagged options such as absorbent hygiene products (AHP's) and vacuum cleaner dust. It is proposed that this option is trialled as an 'opt-in' for householders in a specific area (to be determined) to measure the potential impacts and benefits.
ENV077	4 Weekly Brown Bin Collection (Trial)	This option proposes to introduce a brown bin collection pilot in a representative area of Stirling to provide management data. This data would be used to determine whether or not the pilot could be rolled out across the whole of Stirling. The pilot would choose a select area (rural and urban) and see the collection of brown bin reduced to a 4 weekly collection over the 9 month season. The pilot would run for a 1 year period to inform a possible future PBB option.

Waste – Financial Savings

Reference	Title	Option Type	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
ENV005	Introduction of road end collection policy	Stop / Reduce	0	0	55	55	55
ENV074	Remove Special Uplift Concessions	Fees and Charges	13	28	28	28	28
ENV076	Mixed Plastic Segregation for Grey Bins	PILOT - Transformational Change	0	0	0	0	0
ENV077	4 Weekly Brown Bin Collection (Trial)	PILOT - Stop / Reduce	0	0	0	0	0
			13	28	83	83	83

Theme 3 - Community Life and Business

Community Life and Business – Description of Options

Reference	Title	Description
ASP053	Review charging policy to third party partners	To review the appropriateness of the current charging arrangements to third party partners e.g. Raploch Urban Regeneration Company (RURC). The proposed increase of £12,000 is based solely on a recovery of the cost of support services provided to RURC. Other agencies will be reviewed during the pilot process with a view to determining the level of charge, the reasonableness of the charge and whether charges are being applied consistently.
ASP054	Review of Property Management Arrangements	The proposal is to review the Management Services Agreement between Stirling Council and VALAD for the management of the former Stirling Development Agency (SDA) portfolio, when the agreement terminates on the 31st March 2018. It is considered that there may be savings in the portfolio being managed in-house, alongside other non-operational assets and this may reduce some duplication between Council staff and our current contractors. Also to consider whether both parties mutually agree an earlier termination of the current arrangement.
ASP055	Payment for Lets at the point of booking	The Council currently charges for community and school lets (pitches, meeting spaces, etc.) in arrears. This proposal is to amend the current booking system and look to accept payments on demand, to reduce invoice costs/arrears cost and to increase Council cash flow. Consideration could be given to roll out of payments via Council internet payment scheme e.g. similar to School Music Invoices, etc.
EPR049	Review of Pest Control Concessions (to remove number of concessions)	To review the concession policy for pest control visits / treatments with a view to reduce or eliminate the number of concessions currently applied. In financial year 2013/14, 60% of customers requesting a pest control service claimed a concession and obtained the service free of charge.
GOV027	Reduce the Civic Budget	The Council's Civic Budget funds a variety of civic matters, from civic receptions for visiting groups to Golden Wedding gifts for local residents. A phased reduction in the Civic Budget could be achieved over a period of years.
HCS020	Stop taking cash payments in Council Offices	Cash collection carries the highest cost of any method of receiving payment. Stopping taking cash at council offices and libraries (other than minimal transactions such as book fines and photocopying) would minimise costs while supporting local businesses as customers could still pay at Paypoints and post offices.
HCS021	Payment automation in Customer First	Automated payment terminals could be used to accept cash and card payments for all Council services.

Reference	Title	Description
HCS065	Registrars: Growth in Marriage Services	Changes to licencing for wedding venues, and legislation regarding same-sex marriages offers the opportunity to increase marketing activity around wedding services delivered by registrars, and to increase the income generated. Initially, the implementation of a refreshed, modern website for weddings in Stirling, alongside a modest marketing budget, would support increased staff engagement with communities and wedding venues to promote the service and increase wedding bookings. Every 50 weddings in addition to the 300-350 performed annually would result in an average income of £10k; therefore it is proposed that a £10k increase in income could be generated by the end of year-two. A review of registration & local offices will be conducted in 2017/18 & may result in additional or revised PBB submissions at that time.

Community and Business – Financial Savings

Reference	Title	Option Type	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
ASP053	Review charging policy to third party partners	PILOT - Fees and Charges	12	12	12	12	12
ASP054	Review of Property Management Arrangements	PILOT - Transformational Change	0	0	0	20	20
ASP055	Payment for Lets at the point of booking	PILOT - Efficiency	0	0	0	0	0
EPR049	Review of Pest Control Concessions (to remove number of concessions)	PILOT - Fees and Charges	0	0	0	0	0
GOV027	Reduce the Civic Budget	Stop / Reduce	20	25	30	30	30
HCS020	Stop taking cash payments in Council Offices	Stop / Reduce	30	30	30	30	30
HCS021	Payment automation in Customer First	Stop / Reduce	0	18	18	18	18
HCS065	Registrars: Growth in Marriage Services	Transformational Change	0	10	20	30	40
			62	95	110	140	150

Internal Efficiencies

Internal Efficiencies - Description of Options

Reference	Title	Description
ASP051	Reduction in use of External Venues and maximising the use of Council facilities (including catering) for meetings and training	Management Team previously agreed to adopt a protocol regarding use of external and partners space for training, meetings etc. The Council uses a variety of training, learning and development and meeting space venues including our own, other public sector partners and private facilities. Last year the Council spent £81,000 on hire/catering. This PBB option recommends that the Council improve its internal/external booking systems, update systems with adequate information to ensure that people can book venues that meet their requirements across all Council buildings. The use of non-council space should only be utilised if there is no space available internally, and the Council would then support other community partners (eg community halls) premises and public sector agencies premises (NHS FV, Stirling University, Forth Valley College etc). Only if there is no availability within any of these premises would private sector facilities be booked, as a booking of last resort. Additionally, where Council meeting space is utilised the use of catering and hospitality should automatically be sourced from the Council in house provider - Deli Fresh, using surplus capacity, rather than from outside caterers.
ENV023	Create a Corporate Vehicle Hire Hub	This proposal is to merge the four vehicle hire desks across the Council into one within Fleet Management Services (FMS). It is proposed to transfer the vehicle hire arrangements for Land Services, Roads Maintenance and Housing Services to FMS. FMS vehicle hire desk currently hires vehicles for all other Services with the Council i.e. Education, Social Care, Assets & Support & Economy, Planning & Regulation. This will require one G7 grade post to be created within FMS. As some of this post's duties are already being done within Services this would be advertised internally therefore will not increase the organisation's head count. These tasks are currently carried out by G5 administrators, the cost difference between these two grades is £4370.
GOV021	Invest in a Records Centre System	This option relates to the Council investing in a web-based Records Management System that would allow a greater degree of "self-service" provision by Council Services and staff for the retrieval of records from the Records Centre at Back O'Hill.
GOV058	Savings Resulting from the Establishment of a Strategic Procurement Service	The new Strategic Procurement Service to be established will be responsible for all procurement activity across Stirling Council. The new Service is to be established as early as possible in 2015, but not later than 31 March 2015. The establishment of the Service will result in: <ul style="list-style-type: none"> - Increased procurement capability, with procurement skills and knowledge significantly increased; - Implementation of a market facing category management approach to planning and activity; - Wider application of procurement/commercial principles and practices; - Increased potential to deliver savings; and - The ability to actively measure procurement performance.

Reference	Title	Description
COR014	Increase use of Intranet for internal Council processes	Examine the potential for greater use of automated electronic processes for internal Council-wide information flows. For example, this might include completion of all staff travel expense claim forms via electronic means.
SOC037	Review Governance Arrangements for Shared Services - Social Care	Currently Social services are delivered as part of a shared service with another public sector body. This option proposes to increase opportunities for further shared services for the provision of strategic management of social services thereby maximising opportunities to streamline resources as part of the shared services agenda. An external resource will be commissioned to develop the business case for the lead authority for Social Services. Support services form an integral part of the business case.

Internal Efficiencies - Financial Savings

Reference	Title	Option Type	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
ASP051	Reduction in use of External Venues and maximising the use of Council facilities (including catering) for meetings and training	Efficiency	0	10	10	10	10
ENV023	Create a Corporate Vehicle Hire Hub	Efficiency	10	10	10	10	10
GOV021	Invest in a Records Centre System	PILOT - Efficiency	0	0	0	0	0
GOV058	Savings Resulting from the Establishment of a Strategic Procurement Service	Efficiency	100	100	100	100	100
COR014	Increase use of Intranet for internal Council processes	PILOT - Efficiency	0	0	0	0	0
SOC037	Review Governance Arrangements for Shared Services - Social Care	Transformational Change	0	0	0	0	0
			110	120	120	120	120

Statement of Intent

The following options are expected to generate savings, but need to be developed and worked on further to produce firmer proposals and therefore identify associated savings.

Reference	Title	Description
GOV057	Cross-Council Savings from the Procurement Activity	<p>This is a proposal to review and reduce influenceable contract and non-contract costs across all Council Services through the application of various procurement practices and principles. Uninfluenceable spend in specific markets will be excluded from the scope of spend to be reviewed. The practices and principles will include:</p> <ul style="list-style-type: none"> - re-specification of existing essential contracts and re-negotiation of existing contract costs; - terminating existing non-essential contracts in compliance with termination conditions; - allowing existing contracts to run down to the end of the contract term and not replacing; - applying demand management across specific categories of contract and non-contract spend; - application of price control/cost avoidance across all contract spend. <p>Council Services will be directly involved in progressing this option in collaboration with the Strategic Procurement Service.</p>
ENV011	Pilot for the use of Solar Compactor Litter Bins	<p>This proposal is for the introduction of a pilot for the use of 20 solar compactor litter bins within the rural area. These litter bins mechanically compact the litter within the bin, maximising the capacity of the litter bin and reducing the frequency of emptying the litter bins. The litter bins are fitted with remote monitoring which analyses the usage of the bin. This information can be used by the service to maximise the efficiency of the collection routes in real time.</p>
EDU078	Resource Allocation Group	<p>Review of the commissioning of external care provisions for supporting fostering, residential and education, and secure care for children up to 18 years of age</p>
New	Active Stirling	<p>Review of Service Level Agreement</p>



Section 3

Impact on the Capital Plan

Impact on the Capital Plan

Savings identified in Section 2 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 2014 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:

Reference:	Title:	2015/16	2016/17	2017/18	2018/19	2019/20
		£'000	£'000	£'000	£'000	£'000
ENV035	Capital Investment in Road Surfacing to reduce spend on temporary repairs	1,521	3,042	4,563	5,284	6,005
ENV005	Introduction of road end collection policy	0	150	150	150	150
HCS021	Payment automation in Customer First	40	40	40	40	40

The capital impact on the savings options will therefore be considered as part of the Council's capital programme process. The capital programme for 2015/16 will also be set at the Council's budget meeting in February 2015, at which time a provisional programme for the following 4 years will also be determined.

Section 4

NEXT STEPS

1. Engagement & Implementation

- Communication and engagement will take place with all key stakeholders and partners. A series of community and partner engagement sessions has been arranged for October and November to share work so far with our communities as detailed earlier in the report. Communication and engagement is an embedded part of the Priority Based Budgeting process.
- All of our staff will be encouraged to be fully engaged in the PBB process and to directly contribute their ideas, suggestions and comments.
- Effective two-way communications throughout change is vital to the success of the implementation of chosen Options. The need to ensure that feedback is both received and considered is critical.
- Implementation programmes are critical to the continued successful delivery of chosen Options. These will consider:
 - Stakeholder engagement
 - Employee consultation and notice periods
 - Negotiations with third parties
 - Critical business as usual periods

2. Programme Management

- A Programme Management Office (PMO) was set up in March 2014. It supports 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, Council Management Team and the Senior Programme Manager oversees the work of the PMO and meets fortnightly to monitor the progress of the projects, programmes and other activities that deliver the PBB options, as well as other projects the Council is undertaking.
- A mechanism has been set up to continuously track the delivery of the options and their associated savings.
- A corporate change process to monitor and control changes to the PBB options is in place. Any significant changes to costs, benefits (savings) or scope are considered by the Sponsoring Group for discussion and approval.

3. 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 2015/16 budget.
- The 5 Year Financial Plan will be incorporated within the Five Year Business Plan.

4. Linked Plans

- Creation of a 5 Year Business Plan that dovetails with the 5 Year Financial Plan.
 - Continue development 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.
 - 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.

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.