

Cumbria County Council: Efficiency Strategy 2016/17- 2019/20

1. Approach

- 1.1 Cumbria County Council accepts the opportunity for assurance over minimum levels of core funding from Central Government for the next three years as this allows a longer term planning horizon to be adopted and reduces the risk of additional Government funding reductions being introduced each year. For Cumbria this includes assurance for the Fire and Rescue Service funding as the Fire and Rescue Service is an integrated service within the County Council and hence the funding linked to the efficiency statement includes the fire service elements.
- 1.2 Cumbria's Efficiency Strategy assumes the certainty of grant funding in relation to these specific grant streams, set out in Table below. This will require the Council to identify and work towards delivering further savings and efficiencies to achieve a balanced budget over the three year period. Having certainty allows for investment decisions that will be necessary to deliver savings over the medium term.

Table 2 – Multi Year Settlement Grants	2017/18 £'m	2018/19 £'m	2019/20 £'m	Total £'m
Revenue Support Grant	40.572	28.943	17.757	87.272
Transitional Grant	0.893	0	0	0.893
Rural Services Delivery Grant	4.659	3.584	3.584	11.827
Total	46.124	32.527	21.341	99.992

- 1.3 This Efficiency Strategy shows the Council's projected budget gap from 2017/18 to 2019/20 and sets out how the Council aims to balance its budget for the next three years. The Council already has an agreed balanced budget for 2016/17 as agreed by Council in February 2016.
- 1.4 In respect of 2017/18 the Council is proposing a balanced budget position based on latest financial assumptions and proposed savings. This position will be confirmed by Cabinet in February 2017 and subsequently proposed to Council for approval.

- 1.5 Details of the savings for 2018/19 and 2019/20 are not yet fully identified but the three principles for change, through which the savings will be delivered, have been established as part of the Council Plan and this document sets out the areas where savings will be delivered.
- 1.6 Due to local elections in May 2017 these saving areas are indicative at this stage and will be confirmed as part of the usual strategic planning process. It will be a priority for the new Council to set a refreshed Medium Term Financial Plan within context of a new Council Plan.
- 1.7 This strategy sets out how Cumbria can use this greater funding certainty of £100m for the next three years to bring about opportunities for investment to deliver savings over the medium term. This funding certainty should enable business cases to be developed earlier and use invest to save principles to accelerate savings that otherwise may not have been possible with funding uncertainty. These invest to save principles can be facilitated by using both Council's reserves and/or utilising the capitalisation flexibility to deliver future savings.
- 1.8 The Efficiency Strategy therefore identifies three principles for change (as defined in the Council Plan) that will drive future savings in order to balance the budget over a three year period. The three principles for change are:
- Promoting self-help and Independence
 - Area based working and shaping services locally
 - Reshaping and efficiency
- 1.9 The three principles for change through which the savings will be delivered to balance the budget over a three year period are set out in further in the diagrams below:

Promoting self-help and Independence

This principle for change will be achieved primarily through two further strands; change driven through enhanced digital and self-service ways of working and change to increase independence and investment in preventative services.

Digital & Self Service

The Council embraces change, and will use new technology and adopt different ways of working to deliver further savings: being accessible and responsive to people through our use of technology as well as breaking free from the constraints of history; moving away from outmoded ways of working and thinking; and disposing of buildings that no longer meet our needs. The Council's Digital Strategy sets out how this will be achieved and is available on the Council's website.

What the Council's Digital Strategy does is set out Cumbria County Council's ambitions to develop digital solutions that meet the needs and aspirations of the people of Cumbria. It outlines the Council's aspiration to move more transactional functions to an online platform, with the website as our first point of service delivery, so that the whole population can access information and services in the most effective way. It also recognises the need to introduce schemes to ensure more

people have access to the internet and are equipped with the skills needed in a digital age.

The Council has already delivered a range of solutions that have resulted in financial savings through the delivery of the digital agenda. The principle of increased self-service both internally and with external services to the community is now in place.

In delivering the Strategy, the Council will support customers to access and understand our digital offer, providing clear, accessible and user-friendly technology which helps meet customer needs at a time which suits them without being restricted to more traditional “office hours”.

The further development of our digital offer presents opportunities for future savings way beyond digital enabling of existing ways of working, such as

- Providing customers with an easy to use platform of advice, information and interaction, signposting to the most appropriate service provider as appropriate;
- Taking the opportunity to open up and redesign services to achieve different and better outcomes for our communities.
- Web based services that are so easy and smooth that people prefer to use them.
- An enhanced website provision allowing the ability to automate a significant number of processes completely on line allowing self-service for many service areas, with the recognition that phone and face to face provision may still need to be provided for some customers but through engagement and support more and more customers can be persuaded to use the online approach.
- Increased use of technology within service delivery such as assisted technology in Health and Care, apps to provide up to date and relevant data in highways, improved data management systems etc.
- Expansion of the Service Centre model for more back office functions to reduce transaction time and costs, and deliver and improved customer experience.

Independence and prevention

The Council prioritises the most vulnerable and those most in need: making sure it is there for residents when they need us most. The Council focuses on prevention and early intervention: putting in support when it is first needed - primarily because it is the right thing to do, but also to save greater expense later on. It is planned that further savings can be realised by continuing this approach.

The Council encourages independence; assisting and empowering people to live healthy, independent lives - drawing on the support already available in their local communities and making sure people are able to access support easily from the council if they need it. Continuation of this approach can both improve the lives of people in our communities but also deliver additional savings.

The preventative and independence agenda not only provides opportunities for the savings it is expected that it will help manage potential future demand on services at a time when increased demand from an aging population may not be matched by subsequent increases in funding.

One key area is the Health and Social Care Integration agenda where, working with

partners in the Success Regime and Better Care Together transformation programmes, new models of care are being developed. These new models recognise that in order to close the three gaps identified in the NHS forward view and to enable adult social care to meet the increasing needs of the population then a shift is required from treatment to prevention.

By fundamentally shifting resource from acute services to community based services, and by focusing on self-care, these new models will prevent, divert or delay the need for people to access high cost interventions. This realignment of resource will not only produce efficiencies but will also improve quality outcomes and the health of the population.

Area based working and shaping services locally

This principle for change is about the Council listening to communities and involve people in the decisions that affect their lives: focusing on working within the communities where people live and work; making sure they can have their say about decisions that affect them - as well as them helping shape the services in their local area and supporting them to grow their resilience.

It is about working in partnership: with whoever is best placed to do the job, particularly across the public and third sector - making sure we are not working in isolation and maximise the opportunities there are to work together to tackle issues and cut costs.

The Council is looking at the ongoing area based planning work to drive out efficiencies through shared services with other public sector organisations, better use of the Councils asset base and improved joined up working across all sectors.

This can be evidenced already through the partnership working of the Fire and Rescue Service in respect of greater collaboration with Police and Ambulance services. A number of assets are already shared, including training facilities and co-location of staff and premises. Further effective and efficient ways of working to improve the service to the public are at an advanced stage and include a joined up approach to Emergency Medical Response calls (in the main, co-responding to cardiac arrest casualties) alongside ambulance colleagues.

Across the Council partnership working and working smarter with public health, health and Care and wider health organisations are being developed, including the expansion of the role the Fire and Rescue Service plays with regards to 'Safe and Well' assessments, particularly targeting the vulnerable in our communities

In respect of shaping services locally the Council is actively working with partners and having wider collaboration with third sector partners to deliver service jointly on a local basis.

Reshaping and efficiency

This principle of change is about making every penny we spend count by being as efficient as possible: with a workforce that has minimal layers of management and

inter-departmental boundaries; staff who are confident and supported to make decisions quickly with support of modern technology; and a tireless focus on making sure we provide value for money and fit for purpose services.

The Council has an ongoing programme of Service Reviews where service delivery models and options around service reshaping are continuously assessed. The Council has focused on moving to flatter management structures across all of its areas including the Fire and Rescue Service, which is one of the leanest county fire services across the Country.

Across the Council services and processes are constantly reviewed as part of a continuous improvement programme. There are also National change agenda's and efficiencies that are often Service specific or Government led that as a Council we will consider.

The Fire and Rescue Service is also making use of the new Fire Research and Development Hub to reduce duplication, improve efficiency and enable the capture and sharing of the emerging knowledge, technical advances and innovation within the fire sector.

2. Balanced Budget 2017/18 – 2019/20

2.1 The Budget Gap position for 2017/18 – 2019/20 has been revised as part of the usual strategic planning process and agreed by Cabinet on 20 October 2016. It is presented in the table below. The focus for Cabinet, in this, the final year of the current Administration is to set a balanced budget for 2017/18.

2.2 The proposed savings identified for 2017/18 are presented below within the drivers for change categories. The assumed percentage of how the savings may be delivered in 2018/19 and 2019/20 across the principles for change has been established using modelled information on previous savings already delivered by the Council and expected direction of travel.

2.3 The table below shows how the Council estimates a balanced budget for 2017/18 – 2019/20 will be achieved. The Budget Gap for the period will be reviewed after the Chancellor's Statement 2016 and in subsequent years, as planning assumptions become less valid for periods further away. .

Efficiency Statement				
Savings to be allocated	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Budget Gap -October 2016	0.000	15.348	32.878	46.178
Our transformation journey will be underpinned by 3 principles for change that are relevant for the services we provide or commission - as well as applying to the council's own workforce:				
Area based working and shaping services locally		0.000	(8.220)	(11.545)
Promoting self-help and independence		(0.250)	(11.507)	(18.471)
Reshaping and efficiency		(15.098)	(13.151)	(16.162)
Total	0.000	(15.348)	(32.878)	(46.178)
Budget Gap	0.000	(0.000)	0.000	0.000

3. The Council's Capitalisation Flexibility Proposals

- 3.1 It is recognised that the Council can only use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered. The Council cannot use its existing stock of capital receipts to finance the revenue costs of reform.
- 3.2 The Council may wish to use the flexibility in 2017/18, 2018/19 or 2019/20 for revenue expenditure in respect of up-front costs that will generate future ongoing savings and/or transform service delivery to reduce costs or to improve the quality of service delivery in future years. Suggested areas are stated below, however, until saving proposals are further defined and business cases developed to evidence the potential savings from investment the exact detail of these investments are unknown. The business cases need to satisfy the requirements that the investment is forecast to generate ongoing savings to the Councils net service expenditure.
- 3.3 Potential uses of the capitalisation flexibility for the period 2017/18 – 2019/20 could be for example investments in technology to support the delivery of the Digital strategy and Area Planning investments to deliver more effective services locally and in a joined up way.
- 3.4 The Council has identified £0.5m available for 2017/18 and £0.5m in 2018/19 of additional capital receipts that could be utilised to support these activities. The Council already has established a level of capital receipts that it needs to achieve in the next three years to support the delivery of the capital programme. The revenue costs will be funded from additional capital receipts generated in the year.
- 3.5 As saving proposals are developed Cabinet will approve the use of the capital receipts for this investment purpose with a subsequent decision by Council to include the expenditure in the capital programme. The revenue expenditure to be incurred is required to be included in the capital programme to be funded by capital receipts generated in the financial year.
- 3.6 The Council will therefore take due regard of the requirements of the Prudential Code and the impact on the Councils prudential indicators from implementing the proposed schemes. The capital expenditure prudential indicators will be amended and approved as appropriate.