

Economy & Environment

17 January 2023

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Economy & Environment

Summary	£m	£m	£m
Pressures			5.1
Total savings			3.2

Economy & Environment Pressures: £5.1m

	Draft £'000	Final £'000	Diff £'000	Notes
Pay award	590	1,090	500	Includes rollover impact of 22/23 pay award above budgeted 2% for 2023/24. Based on approved establishment and includes vacancy factor.
Demand pressures	320	469	149	Reflects additional demand to P8.
Energy inflation	993	993	-	Based on estimates provided by West Mercia Energy.
Contract inflation	1,764	1,996	232	Inflation assumed at 8% or relevant rate.
Non-contract inflation	567	600	33	Inflation assumed at 8% or relevant rate.
Public Realm Future Operating Model	-	-	-	See slide below setting out proposals for this project
Total	4,234	5,148	914	

Environment & Economy savings offered: £2.2m

	£'000	Activity
Revision to BBLP Annual Plan works	350	A number of efficiencies within the contract including management of streetwork permits and highway reinstatements
Waste Collections	80	Revision to collections from households on Bank Holidays – there will be no collections on BH and collections slip a day
Parking Income	450	Delivery of deferred proposals from 2022/23 and 2023/24
Fees and Charges – Reg Services	300	Applying inflationary charges across all fees and charges and a review of services where charges aren't currently applied
Fixed Penalty Notice – Pilot Scheme	50	Introduction of trial enforcement of littering offences
Planning and Regulatory Services Transformation (Stage 1)	350	Planning restructure to be in place by April 23, followed by review of income generated services such as Pre-application advice and the introduction of Planning Performance agreements
Sub-total slide 1	1,580	

Environment & Economy savings offered: £2.2m

	£'000	Activity
Removal of 2 vacant posts in Econ Development	50	Removal of 2 vacant posts
Enterprise Zone Running costs	150	A review of running costs, including maximisation of income sources
Economy and Environment Directorate Transformation Programme	600	Full details set out on next slides
Sub-total slide 2	800	
Sub-total slide 1	1,580	
Sub total	2,380	
Public Realm Future Operating Model Project costs	(180)	Ongoing development of future operating model prior to final recommendation on proposed changes to how the services are delivered – additional cost for 23/24
Total savings	2,200	

BBLP Annual Plan Revised Proposal (£350k)

Initiative	Detail	Agreed (£'000)	RAG	Notes	Further Work
Winter Service	Reduce number of winter service vehicles by 1	50	RED Poor public perception	Re-working of routes	Yes
Cleansing	Removal of 1 sweeper	90	AMBER	Will be viewed negatively	Yes
Sports Pitches	Currently maintained, do we recover cost	35	AMBER	May require a revision of fees (bowling greens etc.)	Minimal
Street Works	Coring Programme	30	GREEN	Where reinstatements are proved to be defective then we attract additional FPN and Inspection fees. Cost of delivery of the programme can be recovered as a part of the fee aid by utilities.	Yes
Asset Management	Capitalise Bridge Assessments	100	GREEN	Assessments lead to works, can be capitalised, and is in other authorities.	No
Green Claims Recovery	Increase number of green claims recovered	50	AMBER	Discussions to be held with BBLP to explore potential for them to take risk on delivery of the programme but to share in excess recovery.	Yes
Potential Savings and Pressures		350			

Public Realm – Future Operating Model

- Whilst work continues, and prior to the submission of the recommendations for consideration by Cabinet, we will continue to work up the costings for the next stages of this work. It is therefore proposed the costs of the project to be covered from savings identified above, and then the full costs/pressures of delivering the agreed model will be presented as part of that final decision and business case
- As part of the recommendations, there will be a number of options in terms of when delivery of the next phase of the project would commence, ie whether to hold until 2024/25, as well as funding options for the delivery of the project during 2023/24

Transformation strategy

- The **transformation** programme within Economy and Environment will focus on the role and purpose of the Directorate and how we ensure the services provided for our residents and businesses offer value for money, whilst developing business cases for the commercial services that would provide new and additional income
- The programme will examine demand management of key services and look to reduce unnecessary demand (and failure demand) and improve efficiency of key services, as well as considering how these services are provided
- Subject to the adoption of the Economic Plan, the City Masterplan, and the developing Local Plan and Local Transport Plans, we will have a new framework for delivering sustainable growth across the County, thus increasing Council Tax and Business Rate income for the Council
- The transformation programme will ensure the Directorate is structured to deliver modern, efficient services

Transformation strategy

Frontline Services	Demand Management – Target saving £150k	Partnership Opportunities – Target Saving £225k	Commercial Opportunities – Target saving £225k	Sustainable Growth
<ul style="list-style-type: none"> • Service by Service review of current delivery services across the County • Ensure the right services are delivered in the right places • Consider VFM and opportunities for achieving efficiencies by service re-design 	<ul style="list-style-type: none"> • To consider options for targeted services where this would improve delivery • Manage out failure demand by improving all points of contact and adopting a right first time approach • Set clear indicators for delivery and better management of performance 	<ul style="list-style-type: none"> • Having considered the services we should provide and the model for delivery, look at whether some services would be better delivered by others, through either partnership agreements, devolved powers, or commercial contracts 	<ul style="list-style-type: none"> • A fundamental review of all current commercial services, and opportunities to introduce new ones • Will include a deep dive review of current commercial activity to understand all costs and charges • Look at opportunities to introduce new services where income can support frontline services 	<ul style="list-style-type: none"> • Following adoption of the new Economic Plan and City Masterplan, together with existing Market Town Investment Plans and Housing Strategies, we will ensure focus on 5 year delivery plans that support growth across the County

Frontline Services

Context:

- Directorate provides a wide range of frontline services across the County
- Majority are delivered in the same way regardless of demand in specific areas

What will be different:

- Fundamental review of the services we provide to better understand why and how
- Focus on Place based services where frequency or access to services will be better focused on requirements in the community

Plans:

- Staff Conferences in January to launch reviews
- Staff focus groups to outline services provided
- Review of all available data and how this is currently used to shape services
- New parameters for any service changes to be developed, consulted on and agreed
- Regular dialogue with Members, Parish and Town Council's

Demand Management

Context:

- Next stage of review of what and how we deliver services
- Start to shape services based on demand
- Look at whether proactive approach reduces demand on reactive services
- Consider where failure of services increases demand and how to remove this

What will be different:

- Services shaped on demand in different locations
- Better use of data to shape services and monitor performance in different areas
- Improved communication so as to reduce failure demands on services

Plans:

- Staff Conferences in January to launch reviews
- Staff focus groups to outline services provided
- Review of all available data and how this is currently used to shape services
- New parameters for any service changes to be developed, consulted on and agreed
- Regular dialogue with Members, Parish and Town Council's

Partnership Opportunities

Context:

- What sort of organisation will we be in the future
- Do we need to provide all services ourselves, or can we work with others to deliver for/with us
- Are there opportunities to deliver some services for other
- Is it better to seek a commercial partner to deliver some services

What will be different:

- We will deliver the services we need to but where we are unable to recruit the expertise or others could provide services for us, we will look to explore all opportunities
- This will include options with neighbouring Council's, Parish/Town's and commercial partners

Plans:

- Staff Conferences in January to launch reviews
- Staff focus groups to outline services provided
- Review of all available data and how this is currently used to shape whether we are best placed to deliver services or can improve performance by developing new partnerships
- New parameters for any service changes to be developed, consulted on and agreed
- Regular dialogue with Members, Parish and Town Council's

Commercial Opportunities

Context:

- We already provide a number of commercial services, ie Bereavement Services and Markets
- In an changing economy we must firstly review which services we will continue to provide, and carry out fundamental review of the operating costs and income
- We will also look at other commercial services to see if there are opportunities to offer a wider range of services

What will be different:

- We have a far better understanding of where and why we provide commercial services and the costs of doing so
- Where there is a market to provide new or different services, full Business Cases will be carried out to review opportunities

Plans:

- Staff Conferences in January to launch reviews
- Staff focus groups to outline services provided
- Review of all available data and how this is currently used to shape services
- New parameters for any service changes to be developed, consulted on and agreed
- Regular dialogue with Members, Parish and Town Council's

Sustainable Growth

Context:

- A number of key new strategies are due to be considered by the Cabinet in coming months
- Each of these will provide a new framework for growth across the County
- We will continue to review how we support the delivery of sustainable growth aligned to these

What will be different:

- The new Strategies will help shape the vision for the County for the next 30 years
- Services will be shaped to deliver a series of 5 year action plan

Plans:

- New Strategies to be considered and related Action Plans adopted to ensure delivery
 - Big Economic Plan
 - City Masterplan / Eastern River Crossing
 - Local Transport Plans
 - Local Plan – Reg 18
 - Review of Housing Strategy
 - Review of our response to the Climate and Ecological Emergency

Risk assessment

Key risk	Impact of budget proposals
Fees and Charges	With any changes to fees and charges, there is a risk of a related reduction in use of the services. Whilst the proposal is to increase all fees and charges by inflation, we will carry out further assessments on service demand to ensure there is no negative impact. We will also consider the costs to the service users where necessary
Commercialisation of Services	As we review the opportunities to develop some services into a more commercial way, we will be mindful of any impact this could have on local providers and monitor our charges for services. The main difference between commercial services and residents paying for services by fees and charges, is that the commercial operations would be open to more market choice for the user
Partnerships	When developing any new partnerships, there is a risk of different approaches to the way services are provided and differing outcomes for each partner. We will approach all new partnerships with an open approach so as to manage these differences from the outset

Equality Impact Statement

Equality Group	Impact	Reasons
Age	Positive	More focus on local solutions and services delivered on a more proactive rather than reactive way. Working with Community and Wellbeing, we will assess any changes to frontline services to ensure there is a positive outcome for residents, as well as working with Parish and Town Council's to improve engagement
Disability	Positive	More focus on local solutions, supporting people with disabilities into employment and work opportunities. Working with Community and Wellbeing, we will assess any changes to frontline services to ensure there is a positive outcome for residents, as well as working with Parish and Town Council's to improve engagement
Other vulnerable and disadvantaged groups	Positive	More focus on local solutions and services delivered on a more proactive rather than reactive way. Working with Community and Wellbeing, we will assess any changes to frontline services to ensure there is a positive outcome for residents, as well as working with Parish and Town Council's to improve engagement
Health inequalities	Positive	Reviewing all new Strategies to ensure alignment with new Health and Wellbeing priorities
Neutral impact for all other equality groups		