

BUDGET SAVINGS POSITION - 2015/16 SAVINGS

APPENDIX 2(b)

REF	Directorate 16/17	Directorate Savings 2015/16	Total Saving (£'000)	Savings already achieved 2015/16 (£'000)	Balance of savings to be found (£'000)	Saving achieved in 2016/17 (£'000)	Projected savings in 2016/17 (£'000)	Projected Shortfall 2016/17 (£'000)	Comments
1	City Operations	In House Improvements (Council wide) and Neighbourhood Services (Council wide) - the saving involves delivering year one modified in-house services through an improved in-house infrastructure services and neighbourhood based approach to service delivery across council functions of several directorates. This cost benefit proposal is not confined to the Environment directorate as it is a cross directorate 'One Council' project to bring resilience to services that manage streetscene, parks, bereavement maintenance of land, open landscape, enforcement activities including waste and parking enforcement, highways maintenance, technical design. It will include savings for directorate areas that support them, e.g. fleet services, facilities management and depots.	600	304	296	196	247	49	The remaining savings target originally related to cross service support functions. The saving is now expected to be delivered through the newly formed Neighbourhood Services Division but the exact details of how the saving will be achieved are still to be finalised.
2	City Operations	Redesign of cleansing as part of Neighbourhood Services (Environment only) - as part of neighbourhood services project and in-house improvements the cleansing of all Council land operational methods across the city would be redesigned. This is an approach taken by other authorities in Britain, which often results in a 'Streetscene' service that not only achieves efficiency in back office support and budgetary savings, but also see the services become more responsive to the needs of the local community and allows staff to have more autonomy in responding and addressing these needs. The service changes will be responding to needs of local communities rather than relying on frequency as a measure of quality, savings will be found by bringing service teams together, removing duplicate work, based on local areas, pooling skills and resources such as enforcement and cleansing activities. This will maintain current quality standards and build resilience in these critical frontline services.	450	431	19	19	19	0	This saving has now been fully achieved, due to the full year effect of posts deleted in 2015/16.
3	City Operations	Bute Park Horticultural Nursery - increase income from the nursery by selling hardy stock and bedding plants throughout the city.	40	26	14	0	0	14	The service has experienced difficulty in securing arrangements to supply neighbouring authorities. Further attempts will be made to secure an arrangement, however the target is unlikely to be achieved this year.
4	City Operations	Highways Income - fee increases in line with inflation.	10	0	10	10	10	0	Fees have been increased for 2016-17 and the saving has been achieved.
5	City Operations	Highways Street Lighting - LED conversion main routes - replace main route lighting with LED to reduce long term energy expenditure.	50	0	50	0	50	0	The LED programme was delayed in 2015-16 as additional trials were required due to public concern. The implementation is anticipated to go ahead in 2016-17 to achieve this savings target.
6	City Operations	Highways Charge for Land Searches - bench marking exercise undertaken - other authorities charge for this service.	50	12	38	18	38	0	Income from this source is anticipated to be sufficient to meet the target.
7	City Operations	Renewable Energy Generation - a number of renewable energy schemes will become operational by or during 2015/16. Income will be derived from these through government incentives related to energy generation (feed in tariffs, etc), the sale of energy to the grid and/or other rental income.	85	0	85	5	85	0	The Radyr Weir Scheme is now complete and it is anticipated that income generated will result in achievement of this saving.
8	City Operations	Reduction in sport, leisure and culture staffing - Deletion of 13 posts including vacant and VS in Parks (11) and Leisure (1) with the impact mitigated via flexible deployment of staff.	329	293	36	36	36	0	The deletion of a post has enabled this saving to be achieved.
9	City Operations	Canton Community Centre - new management operator for Canton Community Centre to be operational by September 2015.	53	11	42	0	0	42	Whilst there initial expressions of interest these have not materialised. A review of the future plans is now required. In the meantime the saving is unlikely to be achieved this year.
10	City Operations	New Operating Model for Leisure Centres - the Council has agreed to progress with a procurement process to determine a new operating model for its leisure centres which will be tested against the current in-house provision. Saving expected to be generated for the final quarter of 2015/16. The level of saving is dependent on the procurement process that is being run in respect of leisure centre management throughout the first half of 2015/16. At this stage the level of savings to be achieved can only be estimated until the outcome of the procurement process in Autumn 2015.	435	0	435	0	108	327	The transfer to the new operator is planned for 1st December 2016. The saving of £108k reflects the benefit the Council will receive for the remainder of this financial year. A full saving is anticipated in the next financial year.
11	City Operations	Leisure Centres - reduced subsidy to be achieved through a combination of expenditure efficiencies and additional income generation.	340	102	238	183	366	(128)	An action plan has been developed by the directorate to deliver the savings in 2016-17. This is already proving successful with an anticipated over-achievement against the target.
12	City Operations	Cardiff International White Water - increase income.	30	0	30	0	0	30	This target remains challenging particularly as there has been a further reduction in the subsidy received from Cardiff Harbour Authority.
	City Operations	Total City Operations	2,472	1,179	1,293	467	959	334	

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13	Communities Housing & Customer Services	Alarm Receiving Centre Income - additional income through the creation of an Alarm Receiving Centre	250	0	250	0	118	132	This target was linked to the construction of the new Alarm Receiving Centre (ARC) which experienced delays to the full implementation of the new initiative. Due to these delays, the target was not achieved in 2015-16 although it is anticipated that £118,000 of this target will be achieved this year with balance achieved in 2017-18.
14	Communities Housing & Customer Services	Implementation of Community Hub Strategy - saving is associated with the implementation of the Hub Strategy. The strategy addresses the need for change including financial pressures and changing demand through a range of themes including co-delivering services through Community Hubs, greater community involvement and use of technology.	100	50	50	50	50	0	This saving target was linked to the creation of the Community Partnership Hub in Rumney and the closure of Rumney Library. A part year saving and a £50,000 shortfall was achieved due to the delays in property moves and closures with the transfer of the library completed in November 2015. A full year impact will be achieved in 2016/17.
15	Communities Housing & Customer Services	Development of a City Centre Superhub - Central Library currently accounts for a significant amount of the overall Libraries' budget. In order to achieve the savings and safeguard Central Library, it is necessary to review the delivery options and/or the potential to bring services together.	349	233	116	116	116	0	This target was linked to the demolition of Marland House and the transfer of staff and services to the new Superhub at the Central Library. This transfer was not completed until August 2015 and part year premises costs at both venues resulted in part savings of £233,000 achievable in the year. A full year impact will be achieved in 2016/17.
	Communities Housing & Customer Services	Total Communities Housing & Customer Services	699	283	416	166	284	132	
16	Corporate Management	Management and Related Savings - review of the Council's management structures.	650	563	87	87	87	0	Full achievement of this target was not possible due to part year impacts in 2015/16 and a final shortfall of £87,000 was reported last year. The full year impact of the changes to the Council's management structure fully achieves this target in 2016/17.
	Corporate Management	Total Corporate Management	650	563	87	87	87	0	
17	Economic Development	Capitalisation of posts in Major Projects - two part-time posts and one full time post in Major Projects to be funded via capital rather than revenue.	163	0	163	82	163	0	Savings of £82,000 have been achieved to date and reflect the transfer of two members of staff to City Operations and another who is no longer charged to Major Projects. The remainder of the saving is currently anticipated to be achieved in full although progress will be monitored closely throughout the year and projections updated accordingly as and when scheme details become available.
18	Economic Development	Capitalisation of Posts in Strategic Estates - two full-time posts in Strategic Estates that work on the disposal of Council properties generating capital receipts to be funded through capital rather than revenue.	96	38	58	0	58	0	This saving is expected to be achieved in full. Strategic Estates maintain time records to enable recharges for eligible staff time against relevant capital receipts.
19	Economic Development	Rent review income - generate additional income as result of future rent reviews that need to be negotiated in 2015/16.	120	0	120	0	0	120	This saving is not anticipated to be achieved based on the shortfalls reported in the 2015-16 rental income position. The revised operational arrangements in respect of the recent Investment Review will help address these shortfalls. This review involves the consideration of future disposals and acquisitions in order to generate greater returns for the Council. Any changes to this projection will be updated in future months.
22	Economic Development	Increased income through rent reviews of non-operational property - Strategic Estates -Review rental income on properties across the Council owned non-operational estate.	100	25	75	63	75	0	This saving is expected to be achieved in full based on rent reviews due this year.
	Economic Development	Total Economic Development	479	63	416	145	296	120	

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20	Economic Development (Commercial Services)	Waste Disposal Stop Post Sort - the allocation is used to support the post sort of waste received to increase recyclables and reduce residual waste and to ensure that Local Authority recycling targets are met. Loss of this budget can only be accommodated if the Waste strategy with residual waste restriction in relation to collections is also implemented.	316	101	215	215	215	0	The Post sort budget has been removed, with no post sorting to be undertaken in 2016-17.
21	Economic Development (Commercial Services)	Remaining two Household Waste Recycling Centres (HWRC) with reduced operating days and hours - the proposal is that both sites will operate five days per week with reduced opening times and that they would be closed on different days enabling access to a HWRC facility seven days a week. Both facilities will open on Saturdays and Sundays to manage the busiest periods of usage at weekends. Bank holiday opening will be maintained for the same reasons. Savings are generated from different working patterns and plant and equipment resources. The proposal enables the retention of sufficient resources and the ability to achieve high recycling and tonnage throughputs with customer care and education to further improve recycling rates.	42	0	42	42	42	0	A delay to the introduction of reduced opening hours at the HWRC's resulted in the 2015-16 saving being delayed until 2016-17. These savings have now been achieved.
	Economic Development (Commercial Services)	Total Economic Development	358	101	257	257	257	0	
	Economic Development	Grand Total Economic Development	837	164	673	402	553	120	
23	Education	Education Other Than at School (EOTAS) - the Local Authority has the statutory responsibility to provide full time educational opportunity for all pupils of statutory school age. There are occasions when individual tutors have to be engaged to provide ongoing educational support. Historically this has been achieved through the direct employment of tutors. With effect from 1 February 2014 the All Wales Framework Agreement for Educational temporary staff was introduced which included a single provider for the provision of all educational temporary staff and a maximum charge rate. By implementing the framework agreement the service area will make savings on the cost of providing tutors, current rates paid to tutors range from £27.00 to £45.00 per hour.	150	42	108	0	108	0	These savings were only partially achieved in 2015-16, due to the resistance from delegated schools in accepting the charges and charges not reflecting a recovery of total cost. The directorate are committed to achieving this target in 2016/17, however there remain risks which will need close monitoring throughout the year.
24	Education	Pupil Referral Unit - an important part of the Council's provision for pupils with behavioural challenges is the Pupil Referral Unit based at Mynachdy. The unit provides educational provision for pupils at Key Stage 3 and Key Stage 4. Although managed through a management board its budget is not part of the schools delegated budget. Savings could be achieved through a rationalisation of provision and further exploration of the sharing of certain costs with schools.	100	50	50	25	50	0	The savings were only partially achieved in 2015-16. Due to the uncertainty surrounding the level of funding it is unclear whether these savings can be achieved in 2016-17, however the current assumption is that the savings will be achieved.
25	Education	Staffing Realignments and Restructures within Education - the 2014/15 budget savings for the Education directorate included £450k to be achieved through a rationalisation of management arrangements. These further savings will be achieved through making further cuts to management capacity and exploring further opportunities for collaborative working with other directorates and possibly other Local Authorities.	348	188	160	160	160	0	The savings were only partially achieved in 2015-16. However, due to management actions taken to review the distribution of costs across the directorate and a vacant post, it has been possible to report this saving as achieved in full.
26	Education	Admissions and Education Welfare - increasing demands on school places has led to pressures on the admissions function with a significant increase in the number of appeals having to be administered. The current process, whilst meeting statutory requirements is particularly paper intensive. An online system has been in place now for two years and many more applications are received through this process, however this has not led to any efficiencies. Savings could be achieved through exploring business process efficiencies from the on line application process and potential greater use of the Council Hubs. Additionally the changes made to the Attendance Policy and greater delegation of funds and responsibilities to schools may provide further opportunity to reduce the size of the centrally held Education Welfare Team.	50	20	30	15	30	0	The savings were only partially achieved in 2015-16. It is currently assumed that this saving will be achieved, however this will require close monitoring during the remainder of 2016-17.
27	Education	School Effectiveness Grant - following a reduction in Welsh Government grant funding, there will be a cut in the match funding element of the School Effectiveness Grant.	79	33	46	0	0	46	The savings were only partially achieved in 2015-16. Due to the reduction in the match funding element set by the CSC it is assumed that these savings will not be achieved in 2016-17.
	Education	Total Education	727	333	394	200	348	46	
28	Resources	Projects Accountancy Additional Income - additional internal income from support provided by Project Accountancy to Major Projects across the Council including an additional recharge in respect of city centre major project initiatives.	45	0	45	0	0	45	This saving is unlikely to be achieved in 2016-17.
29	Resources	Implementation of Corporate Debt Approach - Implement a more Corporate and strategic approach to debt management by moving responsibility for the bailiff collection function of Penalty Charge Notices to Revenues and also consideration of the transfer of the accounts receivable function. These changes should enable a more holistic approach to debt management. There should also be opportunities to improve the level of income collected and the amount of internal bailiff fee income generated.	80	23	57	57	57	0	A delay in implementation resulted in a saving of only £23,000 in 15/16. It is anticipated that the full saving will be achieved in 2016-17

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30	Resources	Commissioning and Procurement Local Authority Trading Company - to allow the Strategic Commissioning team to trade through the creation of an alternative trading company.	30	12	18	18	18	0	The £30k saving was impacted by delays with company proposals resulting in a saving of only £12k in 2015-16. Cabinet approved the creation of the company in June and the saving of £18k has now been achieved.
31	Resources	Recharge Mobile & Scheduling Licenses to Directorate Services - recover licence costs through service areas for utilising corporate technology	16	0	16	0	16	0	This saving was not achieved in 15/16 due to delays in rolling out to directorates. It is anticipated that this saving will be fully achieved in 2016-17
32	Resources	Mediation Service - this is a new mediation service which will be offered to directorates including Schools to support the Council in resolving disputes, thereby, reducing conflict and time involved in potentially lengthy disagreements. Human Resources People Services has trained mediators who will help resolve difficult situations and issues regarding employees, team leaders and senior managers using the mediator as an impartial third party.	10	0	10	10	10	0	The mediation service is built into the new Resolution Policy as a tool to achieve resolution of issues.
33	Resources	Restructure the way in which Cardiff manages its partnership working - we are working with our partners (particularly the Cardiff University Health Board) to join up our partnership support arrangements more effectively. The saving includes staff reductions however, partnership activity will also continue to be mainstreamed within Council services so that the activity is correctly funded as business as usual.	110	45	65	65	65	0	Following a detailed review of related budgets within the service area, savings have now been identified which have fully achieved the remaining savings target.
	Resources	Total Resources	291	80	211	150	166	45	
34	Social Services	Supervised Contact Service - the service provides supervised contact for Looked After Children who meet their parents in supervised conditions because other types of contact have been deemed unsafe. Currently half the service is provided in-house and half is provided by Barnardos under a contract that ends in June 2015. Efficiencies will be achieved by externally commissioning the whole service given its size and the desirability of the contract; we would not expect to reduce the level of service. Externally commissioning the service would also address the challenges we experience in identifying internal accommodation that is fit for purpose to meet demand.	60	0	60	60	60	0	The procurement process for re-commissioning contact service was completed towards the end of 2015/16. The new contract with a new provider has recently commenced and the tendered prices suggest that this saving will be achieved in 2016/17.
35	Social Services	Payment by Results - Looked After Children & Rehabilitation Project Year 1 - a Social Impact Bond (SIB) Feasibility study provided a robust business case for significant savings to be achieved by developing a local enhanced fostering scheme that provides wrap around support to enable children placed in residential care to step down into a family placement. Potential providers and investors have been identified and have indicated that they have finance to take this forward. The service will therefore tender for a payment by results contract rather than a SIB arrangement that would seek to secure external funding as well as identify an appropriate provider of the service. The approach identified by the winning provider will have an evidence base that has robustly demonstrated success. The saving could be achieved alongside improving outcomes for this cohort of looked after children. This proposal is supported by the on-going care planning to return young people from placements outside of Cardiff to home or local placements.	674	198	476	476	476	0	The scope of this saving was widened in 2015/16 to include the return or step down of children from out of county placements to lower cost form costs of care or independence. The service has already identified a number of children currently out of area who will/should return to foster care or independence during 2016/17. A number of high cost placements have already stepped down sufficiently enough to achieve the carried forward saving.
36	Social Services	Business Support Review (LEAN Review) - a Lean Review has commenced in the directorate and four value stream analysis workshops have been held where it has been identified that efficiencies can be made in relation to a wide range of operational processes. This may include further savings being achieved against the directorate's business support provision in addition to the savings already put forward (CHD10) as a result of a further review of business support arrangements.	327	0	327	0	0	327	Although, a BPR/lean review was undertaken in 2015/16 it is considered that no significant cashable savings will be generated as a result. A significant element of administrative savings were achieved separately in 2015/16 as part of a review of business support arrangements but these contributed to another specific savings target.
37	Social Services	Block Purchase of residential beds - this saving is attributed to work that will be undertaken with an external residential provider to achieve a volume discount reduction against a block purchase arrangement of nine placements for children. The pattern of previous and current usage strongly indicates that this level of demand will continue. The savings is attributed to a 5% discount in the overall spend of £1.3m which is felt to be proportionate and achievable.	25	0	25	0	0	25	This saving is predicated on a block booking arrangement with a specific provider. However, demand for LAC ASD placements has reduced meaning that block booking arrangements are not currently considered viable.

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38	Social Services	Leaving Care Support - this saving can be broken down into two elements: a) negotiation with key incumbent providers to achieve efficiencies and better value for money based on volume discounts. b) six months saving on Accommodation 16-24 through a Joint Commissioning approach between Children's Services and Communities, Housing and Customer Services. Spend in this area of provision is £1.2m and therefore this level of savings is felt to be achievable based on current spend and the proposals to develop a different approach to re-commissioning that involve joint working with the Communities Directorate.	120	60	60	0	60	0	Jointly commissioned arrangements with Housing/SP were not fully operational during 15/16, therefore there was a shortfall against the savings target. A number of savings opportunities are being pursued in relation to joint working and maximising the SP grant in light of the changes to Housing Legislation (making Leaving Care YP a priority). These include a gateway for all referrals and SP funded supported lodgings as well as direct negotiations/discussions with staffed accommodation providers.
39	Social Services	Market and Demand Management of Commissioned Residential Services - there is currently a spend of £8m on external residential placements for Looked After Children. The proposed review methodology has been tried and tested elsewhere and provides a price and cost challenge. The methodology is implemented via a project based approach and based on the current level of spend and the lessons learned from use of the methodology in adult social care.	200	35	165	0	0	165	Negotiations were undertaken in 2015/16 with a number of key specialist (non framework) residential providers who hold multiple placements. However, given the countrywide demand for this form of care, no significant cost reductions were obtainable. Other initiatives are being explored, though it is difficult to predict any savings with certainty at this stage.
40	Social Services	Reshaping the Internal Supported Living Service for people with learning disabilities - the current internal supported accommodation service supports 36 individuals living in community settings. There will be a review of the service to reflect changes in the needs of individual service users. The proposal will enable rationalisation of existing schemes and reduce the overall level of service provided.	250	0	250	0	0	250	Although certain schemes are being considered for review in 2016/17, it is anticipated that any resultant saving will be offset against the shortfall carried forward from 2014/15. It is considered, at this stage therefore, that any savings generated will be insufficient to meet the carry forward from 2015/16.
41	Social Services	Re-shape the Internal Day Opportunity Service for people with learning disabilities - this service will be reviewed in order to develop a new service with two distinct functions. These will be support planning and brokerage that will provide support for people to organise the way their care needs are met. There will also be a specialist provision for service users who have complex and challenging needs. Following review of the service users we believe that some people's needs can be best met in the community rather than internal day provision. This will result in savings made from the reduction of agency staffing and some voluntary severance of posts. The uptake of Direct Payments will also be encouraged through the support planning and brokerage service.	550	450	100	58	58	42	Savings of £58,000 have been realised in 2016/17 as a result of a service review in 2015/16, and new reviews in the current year, that involved the deletion of vacancies and the release of agency staff. Other high cost day care external packages are being reviewed however it is difficult to predict any further savings with certainty at this stage.
42	Social Services	Review of Care Management across Health & Social Care - there will be a review of care management roles and responsibilities and assessment processes, arising out of the Business Process Review to support more effective delivery of the service. Implementation of mobile working and improvements in the support planning function will facilitate this.	681	660	21	21	21	0	The balance of this saving can be met via the full year effect in 16/17 of counselling staff who took voluntary severance in 2015/16.
43	Social Services	"Closer To Home" service for people with Learning Disabilities - service users currently living away from the city often in high cost residential placements will, where appropriate, move back to the city, to supported housing where their needs can continue to be met.	300	0	300	4	125	175	There is a full year effect saving in relation to service users who stepped down to lower cost forms of care in 2015/16, however this will largely be counted against the unachieved saving brought forward from 2014/15. It is anticipated that the new Meteor Street scheme will shortly become operational offering supported living support to service users who would otherwise have been in higher cost packages. A further saving is therefore anticipated in relation to 2016/17, though probably insufficient to meet the whole of the target.
44	Social Services	Full year effect of 2014/15 savings Review of Mental Health Out of County Placements in residential care and re-commission - Service users have been consulted about moving from residential care to supported living within Cardiff. Care support would be provided to meet their needs in a model of accommodation with support in 2015/16.	200	0	200	12	87	113	A contract for floating support is in place and a number of service users stepped down to lower forms of care in 2015/16. There is some full year effect of the 15/16 saving and some further step downs are anticipated in 2016/17. Some of this further saving has however been counted against the shortfall brought forward from 2014/15 thus leaving a potential shortfall against the carry forward from 2015/16.

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45	Social Services	Recommissioning of Direct Payments Support Provision - the contract with the current Direct Payments Support Provider will expire on 31/03/15. The re-tendering process will focus on quality and competitive pricing for the service. The re-tendering process will be completed to maintain existing service user support to those receiving Direct Payments.	30	0	30	53	53	(23)	Negotiation with the external provider in 2015/16 led to an agreement to reduce the management fee for direct payments in advance of a potential commissioning exercise. The saving reflects the additional impact of this new arrangement in 2016/17.
	Social Services	Total Social Services	3,417	1,403	2,014	684	940	1,074	
			9,093	4,005	5,088	2,156	3,337	1,751	