

# CARLISLE CITY COUNCIL

Report to:- **Carlisle City Council**

Date of Meeting:- 13 November 2012

Agenda Item No:-

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Public

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Title:- **PROGRESS REPORT ON DELIVERING  
TRANSFORMATION SAVINGS TO DATE AND DRAFT  
SAVING PROPOSALS FOR 2013/14**

Report of:- **Director of Resources**

Report reference:- **RD35/12**

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## **Summary:**

This report provides a summary of the transformation savings achieved to date with details of the draft saving proposals for 2013/14 as considered by the Executive on 3<sup>rd</sup> September 2012. However, since that meeting, further reviews have been undertaken and although the overall savings target for 2013/14 is unchanged, the savings to be found immediately in 2012/13 have been amended to £218,453 as detailed at new Appendix A.

## **Recommendations:**

The Council is asked to approve the savings of £218,453 which can be delivered immediately in 2012/13 (noting the amendment from £306,452 from the original report), and noting that this sum will be returned to Revenue reserves in 2012/13.

**Contact Officer:** Peter Mason

**Ext:** 7270

**Note:** In compliance with Section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: Council Budget Resolution 23<sup>rd</sup> February 2012.

**Note:** in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

**CHIEF EXECUTIVE TRANSFORMATION SAVINGS**

	£	Immediate Savings £	1 April savings £	After 1 April Savings £
Directorate Saving Target for 2013/14	<b>91,000</b>			
Salary differentiation at manager levels, revised way of working in regard to emergency planning and r	£50,500	25,250	25,250	
Reduction in training budget	£35,000	17,500	17,500	
Non Staffing Savings - Identified in RD35/12 Executive Report	5,500	2,750	2,750	
Overtime Reduction - Identified in RD35/12 Executive Report	300	300		
<b>Total Savings Identified</b>	<b>91,300</b>	<b>45,800</b>	<b>45,500</b>	<b>0</b>

**RESOURCES TRANSFORMATIONAL SAVINGS**

Directorate Saving Target for 2013/14	<b>181,000</b>			
Insurance and Governance Projects	15,625 36,828	15,625 36,828		
HR Support	31,571		31,571	
Building and Facilities Review	20,292		20,292	
ICT Connect Project Work	65,850		65,850	
ICTConnect reduction in Infrastructure costs	54,000	54,000		
Non Staffing Savings - Identified in RD35/12 Executive Report	2,000	2,000		
Grant Reductions				
Overtime Reduction - Identified in RD35/12 Executive Report	9,000			9,000
<b>Total Savings Identified</b>	<b>235,166</b>	<b>108,453</b>	<b>117,713</b>	<b>9,000</b>

**GOVERNANCE TRANSFORMATIONAL SAVINGS**

Directorate Saving Target for 2013/14	<b>41,000</b>			
Reduction in town twinning	11,000		11,000	
Lean System review savings	5,000		5,000	
Civic Dinner	4,000		4,000	
Non Staffing Savings - Identified in RD35/12 Executive Report	19,300	9,650	9,650	
Overtime Reduction - Identified in RD35/12 Executive Report	2,100	1,050	1,050	
<b>Total Savings Identified</b>	<b>41,400</b>	<b>10,700</b>	<b>30,700</b>	<b>0</b>

**ECONOMIC DEVELOPMENT TRANSFORMATIONAL SAVINGS**

Directorate Saving Target for 2013/14	<b>174,000</b>			
Restructure	120,000		120,000	
Grant Reductions	30,000		30,000	
Overtime Reduction - Identified in RD35/12 Executive Report	3,800			3,800
<b>Total Savings Identified</b>	<b>153,800</b>	<b>0</b>	<b>150,000</b>	<b>3,800</b>

**COMMUNITY ENGAGEMENT TRANSFORMATIONAL SAVINGS**

Directorate Saving Target for 2013/14	<b>235,000</b>			
Projected savings/increased income from DFG reconfiguration	26,000		26,000	
Savings through IT transformation in Customer Contact	18,000		18,000	
Restructure in Customer Contact Services	39,000		39,000	
Restructure in Communities, Housing and Health to reflect new priorities	93,000		93,000	
Management restructure in Communities, Housing and Health				
Non Staffing Savings - Identified in RD35/12 Executive Report	25,000			25,000
<b>Total Savings Identified</b>	<b>201,000</b>	<b>0</b>	<b>176,000</b>	<b>25,000</b>

**LOCAL ENVIRONMENT TRANSFORMATIONAL SAVINGS**

Directorate Saving Target for 2013/14	<b>658,000</b>			
CCTV	180,000		180,000	
Allotments to mutual - reduction over three years	2,000		2,000	
Talkin Tarn	30,000		30,000	
Corporate Review early 2013/14 to identify savings	287,700			287,700
Non Staffing Savings - Identified in RD35/12 Executive Report	102,198	53,500		48,698
Overtime Reduction - Identified in RD35/12 Executive Report	55,600			55,600
<b>Total Savings Identified</b>	<b>657,498</b>	<b>53,500</b>	<b>212,000</b>	<b>391,998</b>
<b>Total Identified</b>	<b>1,380,164</b>	<b>218,453</b>	<b>731,913</b>	<b>429,798</b>
Savings already achieved	147,253	127,003	20,250	0
Savings identified but still to be achieved	513,750	91,450	475,800	0
Savings still to be clarified in detail	719,161	0	235,863	429,798

# REPORT TO EXECUTIVE

## PORTFOLIO AREA: FINANCE, GOVERNANCE & RESOURCES

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Date of Meeting: 3 September 2012

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Public

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Key Decision: Yes

Recorded in Forward Plan:

Yes

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### Inside Policy Framework

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**Title:** PROGRESS REPORT ON DELIVERING TRANSFORMATION SAVINGS TO DATE AND DRAFT SAVING PROPOSALS FOR 2013/14

**Report of:** Director of Resources

**Report reference:** RD35/12

#### Summary:

This report provides a summary of the transformation savings achieved to date with details of the draft saving proposals for 2013/14.

#### Recommendations:

The Executive is asked to:

- (i) Note the savings achieved to date and consider the planned savings for 2013/14 (£1.38 million) and future years;
- (ii) Consider the savings of £306,452 which can be delivered immediately in 2012/13, for recommendation to Council on 13 November;
- (iii) Consider the savings proposed for future years, noting that if agreed these will form part of the 2013/14 budget process and be approved formally as part of the 2013/14 budget in February 2013;
- (iv) Note that proposals will be brought forward in respect of the Economic Development restructure, Claimed Rights and CCTV and will be subject to further reports to the Executive prior to implementation.

**Contact Officer:** Peter Mason

**Ext:** 7270

**Note:** in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

## CARLISLE CITY COUNCIL

To: The Executive  
3 September 2012

RD35/12

### PROGRESS REPORT ON DELIVERING TRANSFORMATION SAVINGS TO DATE AND DRAFT SAVING PROPOSALS FOR 2013/14

#### **1. BACKGROUND INFORMATION AND OPTIONS**

- 1.1 During the period 2010/11 to 2015/16 in maintaining a balanced budget/medium term financial plan (MTFP) and in factoring in reductions in Government Grant (27%), new budget pressures, inflation and long term income short falls, the Council has been required to identify £6.829 million in recurring revenue savings (see Table 2).
- 1.2 This is out of controllable staffing and non-staffing budgets of £20.143 million (see Table 1) and represents, once achieved, a reduction of 34% in the Council's controllable staffing and non-staffing costs.
- 1.3 As set out in Table 2, £4.311 million has already been saved with a further £699,000 identified and due to be delivered by 2015/16 (mainly savings to be delivered via the Asset Management Business Case which accounts for £300,000).
- 1.4 This leaves a balance of £1.819 million (see Table 2) still to be delivered by 1<sup>st</sup> April 2016.

#### **2. TRANSFORMATION SAVINGS TARGET FOR 2013/14**

- 2.1 In the current MTFP the £1.819 million savings required is equally spread over the next 3 years.
- 2.2 However the new administration has requested SMT in liaison with Portfolio Holders to come up with proposals to front load the savings in delivering a majority of the savings required by 1<sup>st</sup> April 2013.
- 2.3 The new administration also directing SMT in liaison with Portfolio Holders to minimise staff redundancies.

- 2.4 The 'draft' savings proposals identified in this report will deliver £1.38 million in savings by 2013/14.
- 2.5 By promoting vacancy management, staff redeployment and TUPE transfer arrangements, also reducing overtime working and identifying non staffing efficiencies, staff redundancies will be minimised.
- 2.6 By delivering the £1.38 million savings identified in this Report, £439,000 out of the original £6.829 million will still need to be identified in future years (see table 3). By front loading the £1.38 million savings in 2013/14 the identifying of these residual savings can be delayed until 2015/16 giving the Council 2014/15 to bed down revised service provision arrangements resulting from the significant efficiency savings made to date.

### **3. SAVINGS PROPOSALS 2013/14**

- 3.1 Detailed in appendix 1 is a breakdown by Directorate of efficiency savings proposals agreed after detailed discussions between responsible Directors and Portfolio Holders amounting to £1,100,366.
- 3.2 Many of the proposals can be progressed immediately, due to posts held vacant as part of vacancy management planning.
- 3.3 Some of the proposals will be subject to further reports to Members at detailed planning stage i.e. Economic Development restructure, Claimed Rights and CCTV.
- 3.4 Detailed in Appendix 2 is a breakdown of non staffing savings and reductions in overtime budgets (by Directorate). These savings totalling £279,498 are considered as deliverable after close scrutiny of historic spending against such budgets by finance staff in liaison with Finance, Governance and Resources Portfolio Holder.
- 3.5 In Appendices 1 and 2 (final columns) is an assessment of which savings can be taken immediately, which by the 1<sup>st</sup> April 2013 and which due to the complexity of the savings initiatives may not be delivered until early in the 2013/14 financial year.

### **4. Next Steps**

- 4.1 Subject to the Executive/Council's agreement on progressing the savings proposals set out in appendices.

- i) The savings of £306,452 that can be delivered immediately will be taken and budgets reduced to reflect the reduced budget requirements for the 2012/13 financial year.
- ii) The 2013/14 budget proposals will reflect the savings identified of £778,164 to be taken on 1<sup>st</sup> April 2013 and £601,700 during 2013/14.
- iii) As advised in 3.3 of the report draft proposals in respect of the Economic Development restructure, Claimed Rights and CCTV will be subject to further reports to members before implementation.

## **5. CONSULTATION**

Consultation will take place with key stakeholders including Overview & Scrutiny, Staff and Trade Unions during September and October.

## **6. RECOMMENDATIONS**

The Executive is asked to:

- (i) Note the savings achieved to date and consider the planned savings for 2013/14 (£1.38 million) and future years;
- (ii) Consider the savings of £306,452 which can be delivered immediately in 2012/13, for recommendation to Council on 13 November;
- (iii) Consider the savings proposed for future years, noting that if agreed these will form part of the 2013/14 budget process and be approved formally as part of the 2013/14 budget in February 2013;
- (iv) Note that draft proposals will be brought forward in respect of the Economic Development restructure, Claimed Rights and CCTV and will be subject to further reports to the Executive prior to implementation.

## **7. REASONS FOR RECOMMENDATIONS**

To consider draft saving proposals in order achieved the transformation savings built into the Medium Term Financial Plan.

## **8. IMPLICATIONS**

- Staffing/Resources – These draft proposals set out in this report minimise any impact on staffing resources.
- Financial – There is £2.573million of transformation savings built into the Medium Term Financial Plan and this report provides a plan of how these savings will be achieved. If Members approve this report, a re-profiling of the savings will be required and this will form part of the 2013/14 budget process.

Savings of £306,452 will be taken in advance in 2012/13 which will reduce the call on Council Reserves in 2012/13.

- Legal – The Council has a fiduciary duty to manage its resources prudently and this includes a minimum level of reserves to the satisfaction of its Section 151 officer. All of the savings will require one form of action or another to be achieved – these actions must be in accordance with any relevant contractual terms and conditions etc.
- Corporate – SMT and JMT have been involved in the preparation of this report.
- Risk Management – Delivery of savings and impact on service delivery will need to be closely monitored by SMT to mitigate potential risk.
- Environmental – Not applicable
- Crime and Disorder – Not applicable
- Impact on Customers – Minimal disruption on service delivery to customers
- Equality and Diversity – Not applicable

## Impact assessments

**Does the change have an impact on the following?**

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?		
Age	No	
Disability	No	
Race	No	
Gender/ Transgender	No	
Sexual Orientation	No	
Religion or belief	No	
Human Rights	No	
Health inequalities	No	
Rurality	No	

**If you consider there is either no impact or no negative impact, please give reasons:**

This report provides a summary of draft saving proposals.

**If an equality Impact is necessary, please contact the P&P team.**

**TABLE 1**

Original Budget	Senior Mgt £000	Chief Exec £000	Governance £000	Resources £000	Com Eng £000	Ec Dev £000	Local Env £000	Total £000
Revised Employee Related Costs	634	739	731	2,188	2,181	1,536	6,274	<b>14,282</b>
Transport Related Costs		26	58	311	58	71	1,140	<b>1,665</b>
Supplies & Services		169	407	508	1,007	417	1,688	<b>4,196</b>
<b>Total</b>	<b>634</b>	<b>933</b>	<b>1,196</b>	<b>3,007</b>	<b>3,246</b>	<b>2,025</b>	<b>9,102</b>	<b>20,143</b>

**TABLE 2****Overall Savings Proposed up to 2016/17**

	Senior Mgt £000	Chief Exec £000	Governance £000	Resources £000	Com Eng £000	Ec Dev £000	Local Env £000	Corporate £000	To be identified £000	Total £000
<b>Savings achieved/proposed from 2010/11, 2011/12</b>	<b>743</b>	<b>171</b>	<b>170</b>	<b>1,380</b>	<b>588</b>	<b>241</b>	<b>937</b>	<b>24</b>	<b>2</b>	<b>4,256</b>
Proposed savings from 2012/13				73	189	40	201	93	4	600
Additional savings from 2013/14 identified	120							34		154
Proposed savings from 2015/16		91	41	181	235	174	658		439	1,819
<b>MTFP Savings Target (subtotal)</b>	<b>120</b>	<b>91</b>	<b>41</b>	<b>254</b>	<b>424</b>	<b>214</b>	<b>859</b>	<b>127</b>	<b>443</b>	<b>2,573</b>
<b>Total Savings proposed</b>	<b>863</b>	<b>262</b>	<b>211</b>	<b>1,634</b>	<b>1,012</b>	<b>455</b>	<b>1,796</b>	<b>151</b>	<b>445</b>	<b>6,829</b>
% savings proposed	136%	28%	18%	54%	31%	22%	20%			<b>34%</b>

	Senior Mgt £000	Chief Exec £000	Governance £000	Resources £000	Com Eng £000	Ec Dev £000	Local Env £000	Corporate £000	To be identified £000	Total £000
<b>Savings achieved to date</b>	<b>863</b>	<b>168</b>	<b>170</b>	<b>1,157</b>	<b>629</b>	<b>218</b>	<b>1,106</b>	<b>0</b>	<b>0</b>	<b>4,311</b>
Savings identified but still to be delivered by 2016/17	0	3	0	296	148	63	32	151	6	699
Savings still to be identified by 2016/17	0	91	41	181	235	174	658	0	439	1,819
	<b>0</b>	<b>94</b>	<b>41</b>	<b>477</b>	<b>383</b>	<b>237</b>	<b>690</b>	<b>151</b>	<b>445</b>	<b>2,518</b>
<b>Total Savings</b>	<b>863</b>	<b>262</b>	<b>211</b>	<b>1,634</b>	<b>1,012</b>	<b>455</b>	<b>1,796</b>	<b>151</b>	<b>445</b>	<b>6,829</b>



# **Transformation Savings Identified 2013/14**

## **Appendix 1**

Service Team	Ref	Proposals	Executive Proposals	Comments
Chief Executive	ChE1	A combination of savings achieved through salary differentiation at manager levels, revised way of working in regard to emergency planning and risk management.	£50,500	
	ChE2	Reduction in training budget due to reduction in staff numbers working for the Council	£35,000	
		<b>Total</b>	<b>£85,500</b>	

Deliverable Immediately	Deliverable by 1 April 2013	Deliverable after 1 April 2013
£25,250	£50,500	
£17,500	£35,000	
<b>£42,750</b>	<b>£85,500</b>	<b>£0</b>

Governance	G1	Reduction in town twinning	£11,000	
	G2	Lean System review savings	£5,000	
	G3	Civic Dinner	£4,000	Civic Dinner will go ahead however it will be self financing other than for invited guests
		<b>Total</b>	<b>£20,000</b>	

£5,500	£11,000	
£2,500	£5,000	
£4,000	£4,000	
<b>£12,000</b>	<b>£20,000</b>	<b>£0</b>

Resources	R1	Insurance and Governance	£15,625	
	R2	Projects	£36,828	
	R3	HR Support	£31,571	
	R4	Building and Facilities Review	£20,292	
	R5	ICT Connect Project Work	£65,850	
		<b>Total</b>	<b>£170,166</b>	

£15,625	£15,625	
£36,828	£36,828	
	£31,571	
	£20,292	
	£65,850	
<b>£52,453</b>	<b>£170,166</b>	<b>£0</b>

Community Engagement	CE1	Wellbeing Team Service Provision	£60,000	
	CE2	Customer Contact Centre Service Provision	£75,000	
	CE3	Strategic Housing Service Provision	£40,000	
		<b>Total</b>	<b>£175,000</b>	

£30,000	£60,000	
£37,500	£75,000	
£20,000	£40,000	
<b>£87,500</b>	<b>£175,000</b>	<b>£0</b>

Economic Development	ED1	Restructure to address new and changing issues e.g. Localism, NPPF, and Council's growth agenda. Deletion of vacant and non-statutory posts. Creation of new posts to focus on implementation and regeneration.	£150,000	The Director in liaison with the Portfolio Holder will submit a detailed proposal that will deliver the priorities as well as the revenue saving of £150,000.
		<b>Total</b>	<b>£150,000</b>	

		£150,000
<b>£0</b>	<b>£0</b>	<b>£150,000</b>

Local Environment	LE1	Handover Highways Claimed Rights (HCR)	£230,000	Proposed as a savings proposal subject to analysis of the impending independent report due 17th July 2012 and constructive discussions with the County Council. These discussions should result in the best possible safeguard for any staff transferring over and a formal influence on maintenance works being left with City Council Members
	LE2	Reduce Highways discretionary services	£39,700	
	LE3	CCTV	£180,000	Proposal of £110,000 agreed as a revenue saving. Agreed that the Director will work with the Portfolio Holder to identify further savings of £70,000 through reduced capital requirements and maintenance of less equipment. Proposal is to retain the cameras in City Council owned car parks with random remote patrolling and retained facility for recording footage. The remaining cameras to be serviced then offered to Partners to maintain and monitor. Consultation with Partners including the Police and the Business Community need to be organised.
	LE4	Allotments to mutual - reduction over three years	£2,000	
	LE5	Rights of way	£18,000	
	LE6	Talkin Tarn	£30,000	The option of increasing the daily parking charge will be considered as part of the Charging Review.
		<b>Total</b>	<b>£499,700</b>	

		£230,000
		£39,700
		£180,000
		£2,000
	£18,000	
£15,000	£30,000	
<b>£15,000</b>	<b>£48,000</b>	<b>£451,700</b>

**Total from all Directorates £1,100,366**

**£209,703 £498,666 £601,700**

£1,100,366

**Non Staffing Savings Proposals**

	Local Environment	Community Engagement	Economic Development	Resources	Governance	Chief Executives	Total	Deliverable Immediately	Deliverable by 1 April 2013	Deliverable after 1 April 2013
Communications & Computing	22,598	0	20,000	0	0	0	<b>42,598</b>	21,299	42,598	0
Miscellaneous Expenses	0	4,000	0	500	1,200	0	<b>5,700</b>	2,850	5,700	0
Equipment Furniture & Materials	17,800	34,500	0	0	0	0	<b>52,300</b>	26,150	52,300	0
Clothing Uniforms & Laundry	0	0	0	0	300	0	<b>300</b>	150	300	0
Maintenance	18,700	1,000	0	0	0	0	<b>19,700</b>	9,850	19,700	0
Water Services	3,000	2,500	0	0	0	0	<b>5,500</b>	2,750	5,500	0
Public Transport	0	0	0	500	0	500	<b>1,000</b>	500	1,000	0
Printing, Stationery & General Office Expenses	3,000	2,500	0	1,000	16,000	5,000	<b>27,500</b>	13,750	27,500	0
Services	37,100	0	0	0	1,800	0	<b>38,900</b>	19,450	38,900	0
Additional Savings from Overtime/Additional Pay	55,600	15,200	3,800	9,000	2,100	300	<b>86,000</b>	0	86,000	0
<b>Total</b>	<b>157,798</b>	<b>59,700</b>	<b>23,800</b>	<b>11,000</b>	<b>21,400</b>	<b>5,800</b>	<b>279,498</b>	<b>96,749</b>	<b>279,498</b>	<b>0</b>

**Summary Savings Proposals**

Directorate Proposals (Appendix 1)	499,700	175,000	150,000	170,166	20,000	85,500	<b>1,100,366</b>	209,703	498,666	601,700
Reduction in Overtime	55,600	15,200	3,800	9,000	2,100	300	<b>86,000</b>	0	86,000	0
Non Staffing Efficiencies	102,198	44,500	20,000	2,000	19,300	5,500	<b>193,498</b>	96,749	193,498	0
<b>Total Other Savings</b>	<b>657,498</b>	<b>234,700</b>	<b>173,800</b>	<b>181,166</b>	<b>41,400</b>	<b>91,300</b>	<b>1,379,864</b>	<b>306,452</b>	<b>778,164</b>	<b>601,700</b>

**Reserves Position for Transformation Savings**

	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
In Year Transformation Savings included in MTFP	(600)	(700)	(650)	(587)	(36)	0
Reserves Position Including MTFP Transformation Savings	(1,648)	(1,488)	(1,836)	(2,743)	(3,027)	(2,761)
	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Revised In year Transformation Savings	(600)	(1,380)	0	(439)	0	0
Additional Savings identified from 2013/14	0	(154)	0	0	0	0
<b>Revised Reserves Position after reprofiling of Transformation Savings</b>	<b>(1,648)</b>	<b>(2,322)</b>	<b>(2,020)</b>	<b>(2,779)</b>	<b>(3,027)</b>	<b>(2,761)</b>