



RESOURCES OVERVIEW AND SCRUTINY PANEL

Panel Report

Public

Date of Meeting: 18 October 2012

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.

Questions for / input required from Scrutiny:

To scrutinise, and provide feedback, on the progress of delivering transformation savings to date and the draft savings proposals for 2013/14.

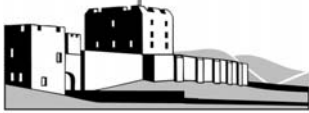
Recommendations:

Members are asked to consider the report.

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



REPORT TO EXECUTIVE

PORTFOLIO AREA: FINANCE, GOVERNANCE & RESOURCES

Date of Meeting: 3 September 2012

Public

Key Decision: Yes Recorded in Forward Plan: Yes

Inside Policy Framework

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

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 1st 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 1st 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 1st 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 1st 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	14,282
Transport Related Costs		26	58	311	58	71	1,140	1,665
Supplies & Services		169	407	508	1,007	417	1,688	4,196
Total	634	933	1,196	3,007	3,246	2,025	9,102	20,143

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
Savings achieved/proposed from 2010/11, 2011/12	743	171	170	1,380	588	241	937	24	2	4,256
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
MTFP Savings Target (subtotal)	120	91	41	254	424	214	859	127	443	2,573
Total Savings proposed	863	262	211	1,634	1,012	455	1,796	151	445	6,829
% savings proposed	136%	28%	18%	54%	31%	22%	20%			34%

	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
Savings achieved to date	863	168	170	1,157	629	218	1,106	0	0	4,311
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
	0	94	41	477	383	237	690	151	445	2,518
Total Savings	863	262	211	1,634	1,012	455	1,796	151	445	6,829

Transformation Savings Identified 2013/14

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	
		Total	£85,500	

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

Governance	Ref	Proposals	Executive Proposals	Comments
	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
		Total	£20,000	

Deliverable Immediately	Deliverable by 1 April 2013	Deliverable after 1 April 2013
£5,500	£11,000	
£2,500	£5,000	
£4,000	£4,000	
£12,000	£20,000	£0

Resources	Ref	Proposals	Executive Proposals	Comments
	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	
		Total	£170,166	

Deliverable Immediately	Deliverable by 1 April 2013	Deliverable after 1 April 2013
£15,625	£15,625	
£36,828	£36,828	
	£31,571	
	£20,292	
	£65,850	
£52,453	£170,166	£0

Community Engagement	Ref	Proposals	Executive Proposals	Comments
	CE1	Wellbeing Team Service Provision	£60,000	
	CE2	Customer Contact Centre Service Provision	£75,000	
	CE3	Strategic Housing Service Provision	£40,000	
		Total	£175,000	

Deliverable Immediately	Deliverable by 1 April 2013	Deliverable after 1 April 2013
£30,000	£60,000	
£37,500	£75,000	
£20,000	£40,000	
£87,500	£175,000	£0

Economic Development	Ref	Proposals	Executive Proposals	Comments
	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.
		Total	£150,000	

Deliverable Immediately	Deliverable by 1 April 2013	Deliverable after 1 April 2013
		£150,000
£0	£0	£150,000

Local Environment	Ref	Proposals	Executive Proposals	Comments
	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.
		Total	£499,700	

Deliverable Immediately	Deliverable by 1 April 2013	Deliverable after 1 April 2013
		£230,000
		£39,700
		£180,000
		£2,000
	£18,000	
£15,000	£30,000	
£15,000	£48,000	£451,700

Total from all Directorates £1,100,366

£209,703 £498,666 £601,700

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	42,598	21,299	42,598	0
Miscellaneous Expenses	0	4,000	0	500	1,200	0	5,700	2,850	5,700	0
Equipment Furniture & Materials	17,800	34,500	0	0	0	0	52,300	26,150	52,300	0
Clothing Uniforms & Laundry	0	0	0	0	300	0	300	150	300	0
Maintenance	18,700	1,000	0	0	0	0	19,700	9,850	19,700	0
Water Services	3,000	2,500	0	0	0	0	5,500	2,750	5,500	0
Public Transport	0	0	0	500	0	500	1,000	500	1,000	0
Printing, Stationery & General Office Expenses	3,000	2,500	0	1,000	16,000	5,000	27,500	13,750	27,500	0
Services	37,100	0	0	0	1,800	0	38,900	19,450	38,900	0
Additional Savings from Overtime/Additional Pay	55,600	15,200	3,800	9,000	2,100	300	86,000	0	86,000	0
Total	157,798	59,700	23,800	11,000	21,400	5,800	279,498	96,749	279,498	0

Summary Savings Proposals

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

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
Revised Reserves Position after reprofiling of Transformation Savings	(1,648)	(2,322)	(2,020)	(2,779)	(3,027)	(2,761)