



# RESOURCES OVERVIEW AND SCRUTINY PANEL

## *Panel Report*

**Public**

**Date of Meeting:** 1 April 2010

**Title:** TRANSFORMATION SAVINGS UPDATE

**Report of:** Deputy Chief Executive

**Report reference:** CE 13 10

**Summary:** This report updates members on the savings made thus far under the Transformation Programme. It shows that the first year target of £1m recurring revenue savings has been met (£1.35m). This represents good progress against the three year target of a £3m reduction in the recurring revenue budget.

**Questions for / input required from Scrutiny:** This report is for information and comment.

**Recommendations:** That members note and comment upon the savings made thus far.

**Contact Officer:** Jason Gooding

**Ext:** 7009

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

## **Background**

The Transformation Programme is required to deliver recurring revenue savings of approximately £3m over the three financial years 2010/11, 2011/12 and 2012/13. We are one year into the programme and the target is to have delivered £1m of the recurring savings by 1<sup>st</sup> April 2010. Approximately £1.35m of recurring revenue savings have been identified with £1.1m delivered. The target for 2010/11 has therefore been met.

The attached spreadsheet shows how these savings have been calculated. The savings are shown bracketed. For example the first section shows the savings made from the deletion of the management posts in the old structure, the section below shows the costs of the new management posts. Non-staffing savings are shown; of particular interest is the £290,000 saving made through procurement of a new contract for the green box recycling scheme.

The savings marked in red are proposed rather than delivered at this stage and total £259,031.

The total net position is recurring revenue savings of £1.345m of which £0.259m is proposed rather than delivered. Progress on the delivery of these savings will be reported to a future meeting of the panel. Assuming that the proposed savings go on to be delivered, they will of course make a substantial contribution to the 2011/12 target of a further £1m of savings.

The full programme of proposed savings for 2011/12 is yet to be determined. Overview and Scrutiny Panels will be involved in the development of that programme in line with the report on the Scrutiny of Transformation considered at the last meeting of this panel.

**ANALYSIS OF SAVINGS ACHIEVED FOR 2010/11**

Position	Total Salary Cost 2010/11 (£)	Vacant Since	Staffing With Pay Award @ 1%	Non-Staffing Savings	Achieved Proposed
<b>1. Remove old Management Structure (JE Grades)</b>					
Deputy TCCE & Director of PPP	(106,910)		(107,979)		
Director of Corporate Services	(94,998)		(95,948)		
Director of Legal & Democratic Services	(95,940)		(96,899)		
Director of Community Services	(94,697)		(95,644)		
Head of Facilities	(65,765)		(66,423)		
Head of Economy, Property & Tourism	(65,765)		(66,423)		
Head of Planning & Housing	(64,964)		(65,614)		
Head of Personnel & Development	(65,664)		(66,321)		
Head of Policy & Performance	(63,065)		(63,696)		
Head of Culture & Community	(65,965)		(66,625)		
Head of Environmental Services	(64,306)		(64,949)		
Head of Legal Services	(66,065)		(66,726)		
Head of Audit	(52,541)		(53,066)		
Head of Revenues & Benefits	(65,865)		(66,524)		
Head of Property Services	(63,208)	1	(63,840)		
Director of Development Services	(94,697)		(95,644)		
Head of Democratic Services	(52,296)		(52,819)		
Head of Financial Services	(66,065)		(66,726)		
<b>Total Saving</b>	<b>(1,308,775)</b>		<b>(1,321,863)</b>		
<b>Add back cost of new management structure (top of scale)</b>					
Strategic Director & Deputy TCCE	113,009		114,139		
Strategic Director	98,963		99,962		
Assistant Director (Resources)	79,298		80,091		
Assistant Director (Governance)	79,298		80,091		
Assistant Director (Economy)	79,298		80,091		
Assistant Director (Community Engagement)	79,298		80,091		
Assistant Director (Local Environment)	79,298		80,091		
<b>Total Costs</b>	<b>608,460</b>		<b>614,544</b>		
Used to fund other posts - Property services	63,208	1	63,840		
<b>Total Net Cost</b>	<b>671,668</b>		<b>678,384</b>		
<b>2. Vacant Posts (JE Grades)</b>					
Estimator	(25,834)	2004	(26,092)		
Landscape Development Officer	(13,941)	Jul-07	(14,080)		
Building Control Technician	(18,157)	Aug-07	(18,338)		
Mechanic	(24,271)	Mar-08	(24,513)		
Admin Asst	(6,907)	Apr-08	(6,976)		
Grounds Maintenance Operative	(21,159)	Sep-08	(21,370)		
Groundsman	(1,092)	Oct-08	(1,103)		
CCTV Control Officer	(15,292)	Jan-09	(15,445)		
Horticultural Officer	(33,671)	Jan-09	(34,007)		
Waste Services Promotions Officer	(24,999)	May-09	(25,249)		
Sports And Rec Manager	(42,031)	May-09	(42,451)		
Operational Support Supervisor	(25,834)	Jun-09	(26,092)		
Development Officer	(35,675)	Jun-09	(36,031)		
Environmental Health Officer	(38,475)	Jun-09	(38,860)		
Office Manager/Secretary	(22,791)	Jul-09	(23,018)		
Building Control Surveyor	(15,062)	Aug-09	(15,213)		
<b>Total Potential Saving</b>	<b>(365,189)</b>		<b>(368,841)</b>		
Vacancy Management Shortfall in 2009/10 recurring effect from 201	185,000		185,000		

<b>2.a Additional Savings Achievable</b>					
<b>Resources</b>					
Technical Accountant	(31,528)		(31,843)		
Head of Property Services	(63,208)	2	(63,840)		
Principal Auditor (0.5fte)	(25,509)		(25,764)		
Procurement & Efficiency Officer (vacant)	(32,690)		(33,017)		
<b>New posts to be funded</b>					
Financial Services Manager	58,199		58,781		
	<b>(94,736)</b>		<b>(95,683)</b>		
<b>Governance</b>					
Principal Solicitor	(42,032)		(42,452)		
Committee Services Support (Vacant)	(25,837)		(26,095)		
Overview & Scrutiny Officer (0.99fte)	(36,065)	3	(36,426)		
Admin Support (Assistant) (0.5fte) (Vacant)	(12,644)		(12,770)		
Environmental Protection Manager (Vacant)	(37,419)		(37,793)		
<b>2.b New posts to be funded</b>					
<b>Governance</b>					
Legal Services Manager	58,199		58,781		
Democratic Services Manager	48,030		48,510		
	<b>(47,768)</b>		<b>(48,245)</b>		
<b>Policy</b>					
Project Manager			(27,805)		
Communications (1 FTE)			(29,200)		
Reduction in the number of Carlisle Focus editions(min)				(5,000)	
Review the arrangements for the Staff news(min)				(2,000)	
Use of Graphic Designer to undertake work currently commissioned externally(min)				(10,000)	
Reduced Communications Marketing budget				(2,000)	
15% Reduction for member group training				(3,000)	
			<b>(57,005)</b>	<b>(22,000)</b>	
<b>New posts to be funded</b>					
Skills for Life Co-ordinator			24,276		
Organisational Development Co-ordinator			43,592		
			<b>67,868</b>		
<b>Local Environment</b>					
Green Box Contract				(290,000)	
Savings on Hired Vehicles				(65,000)	
			<b>0</b>	<b>(355,000)</b>	
<b>Community Engagement</b>					
Organist at Crematorium			(8,000)		
			<b>(8,000)</b>		
				<b>(259,031)</b>	<b>Total Proposed</b>
				<b>(1,086,354)</b>	<b>Total Agreed</b>
<b>Net additional Saving</b>					
	<b>(142,504)</b>		<b>(141,066)</b>	<b>(377,000)</b>	
<b>Total Net Saving Achieved for 2010/11</b>					
	<b>(959,800)</b>		<b>(968,385)</b>	<b>(377,000)</b>	<b>(1,345,385)</b>
<b>Target savings currently in MTFP for 2010/11</b>					
	<b>(1,000,000)</b>				<b>(1,000,000)</b>
<b>Note 1</b>					
Used to fund other posts/temporary staff in Property services					
<b>Note 2</b>					
Currently used to fund Corporate property work and initiatives and consultancy fees. These have the potential to be capitalised if associated to capital schemes such as the Sands or in conjunction with the sale of assets.					
<b>Note 3</b>					
Potential one-off costs of removing these posts					