
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 3 SEPTEMBER 2012

**EX.110/12 PROGRESS REPORT ON DELIVERING TRANSFORMATION SAVINGS
TO DATE AND DRAFT SAVING PROPOSALS FOR 2013/14**
(Key Decision – KD.030/12)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report RD.35/12 providing a summary of the transformation savings achieved to date with details of the draft saving proposals for 2013/14.

The Finance, Governance and Resources Portfolio Holder then made the following statement:

“We are faced with a situation where we need to identify revenue savings of £2.573 million over the next four years. Drastic cuts have already been made by the previous Conservative/Liberal Democrat Alliance, however, Central Government policy means that further savings are required. In simplistic terms the savings if spread over four years amount to £650,000 per year however it is a political decision as to how to profile the savings. The greater the savings at the outset the less pain staff and services will need to go through later on. With this in mind, I would recommend to the Executive a programme of savings that is front end loaded and equates to two years savings being proposed in the first year. This would give the Executive breathing space in which to plan for further efficiencies from 2015/2016 and 2016/2017.

Savings of this level, when applied to the current revenue spend of this Council, amount to a straight forward across the board saving of 10% which would result in the loss of 56 full time posts. This however is not a strategic option and is not the approach the Executive needs to take. With the help and support from Officers, we have analysed in detail the income and expenditure and separated out the controllable and non-controllable budget heads. The Labour Party made pledges and commitments to the electorate, which we will deliver. We have taken those pledges and commitments into account during our deliberations. It has not been a straightforward task and inevitably, we, as a Group, will have to make decisions that in normal circumstances we would not be making.

By adopting a more strategic and creative approach to the savings I feel in a position to recommend to you a programme that will greatly minimise any job losses and deliver the priorities that we all agreed are necessary to reinvigorate the City.

I have broken the options down into bite size pieces. This should make the process easier to follow and easier to implement.

We have looked at this in two discrete but related areas namely:

1) - identifying Directorate specific efficiencies with the focus being on smarter ways of working and minimising staff redundancies; and

2) - by taking a forensic look at non-staffing budgets in order to identify better housekeeping savings that each and every Officer and Member must take responsibility for achieving.

Looking at area 1) I would refer Members to page 7 of this report.

If I can just ease potential concerns on a couple of the savings proposals.

Item ChE2 - Reduction in training budget - Even with this reduction, there still remains a substantial commitment to the training and development of our staff. This will be achieved through a combination of alternate training delivery options including increased access to e-learning, more focus on delivery of agreed priorities and sharing of training costs with neighbouring authorities.

Item G3 - Civic Dinner – This is considered an important celebration of achievement for members of our communities that would normally go unrecognised. It will go ahead but, instead of the event being free to elected Members and Officers, as it has been in the past, the event will be self financing through charging elected Members and Officers combined with local sponsorship. The invited guests would of course not be charged.

Item ED1 – Economic Growth is seen as a key priority by the Labour Group. There is work to do in order to ensure that this service is better fit for purpose to deliver that priority. We promised business growth and increased opportunity for the unemployed as well as the under employed and this Team will play a key role in the delivery of that promise. This will therefore be subject to further reports to the Executive.

Item LE1 – Highways Claimed Rights – This is a separate agenda item today so I will comment only on the financial aspect and leave the operational issues to Councillor Martlew as the relevant Portfolio Holder. The financial case is overwhelming and we feel we are able to agree a partnership with Officers and elected Members in the County Council that will not only provide the necessary employment safeguards for our transferring staff but will also bring about a seamless handover whilst still enabling local influence on the service standards. This will therefore also be subject to further reports to the Executive.

Item LE3 – CCTV – The CCTV equipment and monitoring facility was introduced and financed many years ago through an increase in parking charges. The predominant use of the system is to patrol the City Council owned car parks in order to give users a high degree of security when parking in the City. Over the years, the service has expanded with a high proportion of the City being physically monitored. It is an excellent service however it is an expensive service. Despite the system being utilised by the blue light services, shop watch and pub watch none of these agencies contribute financially to the hardware or the monitoring. It is our intention to consult with these agencies in order to consider the way forward. This item will therefore also be subject to further reports to the Executive.

Concentrating now on area 2) - potential savings through non-staffing controllable overheads:

The table on page 8 gives an overview of the various budget headings for 2011/2012. I have gone through each of these with Officers in some detail in order to identify achievable savings. In effect, the savings identified amount to £279,498, which is approximately 10% though as with the Directorate specific savings a strategic approach has been identified meaning some budget heads will save more than 10% and some will save less than 10%.

These savings are, in my opinion, nothing more than good housekeeping and can be achieved without a drop in service standards. All Officers, elected representatives and partners will play their part in realising these savings. I am working with the relevant Officers and Scrutiny Chairs to agree methods of reducing paper, energy, postage, mileage etc. The Executive itself is leading by example by proposing a reduction in Joint Management Team and Executive Briefing meetings from 37 to 22 simply by changing the dates and times and combining meetings whilst still ensuring the democratic process and timescales are still being achieved. We need to apply this thinking throughout the City Council so that we can get the decisions made more efficiently by the people with the knowledge and spend our time delivering services not sitting in meetings discussing services.

Summary Proposals

If all of the proposed savings that can be realised through the identified Directorate specific proposals are approved this would amount to £1,100,366.

If all of the proposed savings that can be realised through the identified non staffing controllable overheads through what is effectively just smarter working and better housekeeping by all staff and Members are approved this would amount to £279,498.

Adding the two together, this would deliver a saving of £1,379,864.

The result of these proposals as far as staffing is concerned is that instead of losing 56 full time posts, less than 10 employees may be subject to redundancy (hopefully voluntary) and due to the lead in time we are making available by implementing non-staffing savings early this figure may reduce further due to natural attrition rates, vacancy management initiatives and our grow your own policy. This can only be good

news for our staff and our partners, the communities they serve and the services they deliver.

If we can achieve this as a Group and the Council becomes 10% smaller by 1st April 2013 (subject to no further unidentified grant / income reductions that have not been included in the Medium Term Financial Plan (MTFP)) the Council will be ahead of its transformational savings plan and 2013/2014 can be used to consolidate any revised working procedures and to identify further non staffing efficiencies.”

In conclusion the Finance, Governance and Resources Portfolio Holder moved the recommendations set out in Report RD.35/12.

Whilst seconding the recommendations, the Leader expressed thanks to the Finance, Governance and Resources Portfolio Holder and Officers for work undertaken to date.

Summary of options rejected None

DECISION

That the Executive:

1. Noted the savings achieved to date and had considered the planned savings for 2013/14 (£1.38 million) and future years;
2. Approved the savings of £306,452 which could be delivered immediately in 2012/13, for recommendation to Council on 13 November 2012;
3. Approved the savings plan for future years, noting that those would form part of the 2013/14 budget process and be approved formally as part of the 2013/14 budget in February 2013; and
4. Noted that proposals in respect of the Economic Development restructure, Claimed Rights and CCTV would be subject to further reports to the Executive prior to implementation.

Reasons for Decision

To consider draft saving proposals in order that the transformation savings may be built into the Medium Term Financial Plan