

SERVICE REVIEW SAVINGS 2011/12 UPDATE and 2012/13

EXECUTIVE MEMBER: Councillor G Troughton

LEAD OFFICER: Joanne Wagstaffe, Corporate Director, Resources and Transformation

REPORT AUTHOR: Barry Williams, Interim Technical Accountant

WHY HAS THIS REPORT COME TO RESOURCE PLANNING WORKING GROUP?

To inform Members of the current position on the 2011/12 service review savings proposals.

SUMMARY:

The report gives an update on progress in delivering the service review savings proposals contained within the 2011/12 revenue budget.

RECOMMENDATIONS:

Members are asked to note that as at 31 January forecasted savings for service review proposals are currently £1,769,959 against a budget of £1,771,207, and that the full value of savings is expected to be delivered by the year-end.

1. INTRODUCTION

1.1 This report updates the position on the individual service review budget savings included within the 2011/12 budget.

2. CURRENT POSITION

2.1 Members of the Resource Planning Working Group, have previously been informed that savings totalling £1,750,147 were expected to be delivered by the year-end against an approved budget of £1,771,207.

2.2 Appendix A to the report shows that the forecast for service delivery savings in 2011/12 now stands at £1,769,959 a shortfall of £1,248 against the approved target of £1,771,207.

2.3 The service review savings within the appendix provide an analysis between savings that are expected to be delivered (Green), savings that were expected to be delivered by the year-end but were dependent on the outcomes of other actions or demand for services (Amber) and other savings where the target was not going to be achieved (Red).

2.4 The totals for the respective categories are as follows:

- Savings expected to be delivered (Green) - £1,485,877.
- Savings expected to be delivered but which are dependent on the outcomes of other actions or demand for services (Amber) - £301,082.
- Savings which will not be delivered (Red) - £53,360.

- 2.5 There is a shortfall of £143,960 due to the non-achievement of some of the savings proposals totalling £53,360 (Red) and some reductions in the value of the savings dependent on the outcomes of other actions or demand for services totalling £90,600 (Amber).

The shortfall has been offset to a large extent by the over-achievement of savings of £142,712 in the other areas which are expected to be delivered (Green), giving a net shortfall of £1,248 for the year.

At this late stage in the financial year it is not intended to review further the areas that have not delivered their expected savings as it is unlikely that there will be any further significant impact in 2011/12 arising from any decisions that are made now to correct the position. The final position for 2011/12 will be reported as part of the out-turn report to be considered in mid to late May 2012. However, the service areas that have not delivered their savings targets in 2011/12 will be re-visited to see if those savings can be achieved in 2012/13.

3 2012/13 SAVINGS

- 3.1 The 2012/13 budget includes service review savings for the year of £1,817,171. Details are contained within the revenue budget report considered by Council on 23 February 2012.
- 3.2 It is intended that members of Resource Planning Working Group and the Executive will receive regular update reports on the delivery of these savings on the same basis and in the same format as those provided for 2011/12.

4 CONCLUSIONS

- 4.1 Members are asked to note the position outlined in the report.

5. STATUTORY OFFICER COMMENTS

- 5.1 The Monitoring Officer's comments are: None
- 5.2 The Section 151 Officer's comments are: Included in the report
- 5.3 EIA Comments: None
- 5.4 Other consultee comments, if any: None at this stage

6. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 6.1 The savings proposals identified as part of the 2011/12 service review are being monitored on a monthly basis through the normal budget monitoring processes.
- 6.2 Changes to the forecasts will be reported as necessary to the Executive and Resource Planning Working Group, together with reasons for those changes.

7. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

- 7.1 By 31 March 2012, it is anticipated that the full value of the 2011/12 service review savings, amounting to £1,771,207, will be delivered.

List of Appendices:

Appendix A – Service Review Proposals 2011/12 – Progress to date

SELF ASSESSMENT SERVICE REVIEWS - PROGRESS REPORT AS AT 31 JANUARY 2012

Item 7 Appendix A

Saving description	Value		Notes on progress in delivering savings	Value delivered so far	R/A/G	Shortfall Red Items	Shortfall Amber Items	Over-achieved Green Items
	£	£						
Section A Non-Staffing Savings								
Chief Executive								
Reduction in admin.budgets		10,400	Complete - budgets deleted from 2011/12	10,400	G			
Finance								
Reduce cost of discretionary concessionary travel scheme		30,000	Complete - budgets reduced.	30,000	G			
Legal & Democratic Services								
Reduce costs of electoral registration	3,000		Budget reduced - Saving will not be delivered due to additional postages (Pressure 2012/13) and printing costs	0	R	3,000		
Reduce legal encyclopaedia costs	4,618		Budget reduced - Saving will not be delivered budget for books & publications £7k overspent	0	R	4,618		
Reduce the number of Executive members by 1	6,000		Budget reduced - Saving likely to be achieved	6,000	G			
Grant assistance via Equalities previously funded from reserves	(4,000)		Budget increased - Spend forecast at p.10 in accordance with revised budget	(4,000)	G			
		9,618						
Cultural Services:								
Under-provision for inflation re: 2010/11	(10,000)		Contract price agreed at £564k. Out-turn forecast at £574k - overspend £10k.					
Renegotiate the leisure contract with NCL	60,000		Overall budget reduction £38k in 2011/12 (not £50k), so saving in 2011/12 now only likely to be £28k					
		50,000		28,000	A		22,000	
Bereavement Services:								
Crematorium fee increases	104,786		Budget reduced. Managers forecast at period 10 expects the increased income to be delivered.	104,786	G			
Reduction in fuel costs Crematorium	12,000		Budget reduced - Managers forecast saving at P.10 now increased by £9k partly due to new gas contract.	21,000	G			(9,000)
		116,786						
Bulky waste service:								
Reduced vehicle costs & fuel	37,000		Budget reduced - Managers forecast at P.10 indicates further £4k saving in running costs and £5k vehicle leasing.	46,000	G			(9,000)
Increases in fees & charges	8,000		Budget reduced - will monitor during the year. Forecast at p.10 indicates a shortfall in income of £17k against the increased income target.	(17,000)	R	25,000		
		45,000						
Plastic & Cardboard Service:								
Recycling income		36,900	Budget reduced. Value of recycle materials is generally on the increase and managers forecast at period 10 indicates an additional £34k from recyclable materials.	70,900	G			(34,000)
Environmental Cleansing:								
Reduce vehicle costs		17,000	Budget reduced. Vehicle hire costs are on target but other running costs forecasted to increase by £6k at P.10	11,000	A		6,000	
Parks & Open Spaces:								
Reduce CCTV costs	21,000		Budget reduced - Managers forecast of spend at P.10 in accordance with target	21,000	G			
Leased Areas	2,820		Budget reduced - Managers forecast of spend at P.10 within budget	2,820	G			
Review allotment operations	728		Budget reduced - Managers forecast at P.10 indicates an increased saving of £3k	3,000	G			-2,272
Stop winter bedding work	7,000		Budget reduced - Managers forecast of spend at period 10 within budget.	7,000	G			
Home Group - additional income	5,000		Budget reduced - Managers forecast at period 10 expects income slightly in excess of £6k.	6,000	G			-1,000
		36,548						
Environmental Health:								
Additional budget for legal & professional services / advice	(20,263)		Budget increased - additional cost for statutory pest control added. Spend currently within budget	(20,263)	G			
Review of office & technical expenses	12,800		Budget reduced - Managers forecast of spend at P.10 in accordance with target	12,800	G			
Reduced costs for sampling	10,000		Budget reduced - Managers forecast of spend at P.10 in accordance with target	10,000	G			
		2,537						
Car Parking:								
Increased income from charges		18,904	Budget reduced. Managers forecast at period 10 expects increased income of £10,000 over target.	28,904	G			-10,000
Pest Control:								
Stop service		(9,940)	Loss of income reflected in the budget for 2011/12	(9,940)	G			
Management Information Systems:								
Delete remaining mainframe budget	44,000		Budget reduced - Managers forecast at P.10 indicates that the saving will be delivered	44,000	G			
Delete general repairs budget	16,680		Budget reduced - Managers forecast at P.10 indicates that the saving will be delivered	16,680	G			
Reduce consumables	9,000		Budget reduced - Managers forecast at P.10 indicates that the saving will be delivered	9,000	G			
Reduce office expenses	1,724		Budget reduced - Managers forecast at P.10 indicates that the saving will be delivered	1,724	G			
Van lease not renewed	3,500		Budget reduced - Managers forecast at P.10 indicates that the saving will be delivered	3,500	G			
Reduce PC replacement fund	20,000		Budget reduced - Managers forecast at P.10 indicates that the saving will be delivered	20,000	G			
		94,904						
Building Control:								
Use of mobile devices		2,000	Budget reduced. Managers forecast for telephones at P.10 is an overspend of £900	1,100	A		900	
Development Control:								
Reduce office costs		7,500	Budget reduced - Managers forecast at P.10 indicates that the saving will be delivered	7,500	G			
Planning Policy:								
Reduce the cost of implementing the Local Development Framework		22,615	Budget reduced - Temporary staff engaged to reduce consultancy costs	22,615	G			
Contracts & Property:								
Bring valuation services in-house	30,000		Budget reduced. Managers forecast at P.10 indicates additional spend of £9k on external resources to do work that cannot be carried out in house.	21,000	A		9,000	
Miscellaneous Buildings - Repair & Maintenance	65,000		Budget reduced - will monitor during the year. £25k to be identified and unlikely to be delivered in full (CL)	40,000	A		25,000	
Review catering contract	6,000		Budget reduced - reduce use of outside caterers	6,000	G			
		101,000						
Housing								
Housing Stock condition survey		(45,000)	Budget increased - Forecast cost slightly reduced to £38k	(38,000)	G			(7,000)
Human Resources:								
Reduce training budget	60,000		Budget reduced - Managers forecast at P.10 indicates that a further saving of £17.5k will be made	77,500	G			(17,500)
Reduce use of Occupational Health Services	8,000		Budget reduced - Managers forecast at P.10 indicates that the saving will be delivered	8,000	G		0	
Reduce admin.expenses	6,500		Budget reduced - Managers forecast at P.10 indicates that only £2,000 will be saved	2,000	A		4,500	
		74,500						

Saving description	Value		Notes on progress in delivering savings	Value delivered so far	R/A/G	Shortfall Red Items	Shortfall Amber Items	Over-achieved Green Items
	£	£						
GIS:								
Reduce running costs		9,000	Budget reduced - Managers forecast at P.10 indicates a further saving of £7k	16,000	G			(7,000)
Customer Services:								
Reduce the cost of customer services at Copeland Centre		22,000	Budget reduced - Managers forecast at P.10 indicates that a further £17,000 saving will be delivered	39,000	G			(17,000)
Corporate:								
Stop 1st class travel	2,000		Budget reduced and expected to be delivered	2,000	G			
Reduce subscriptions	9,000		Corporate subscriptions budget reduced. Forecast at P.10 indicates spending is within budget.	9,000	G			
		11,000						
Total Section A		663,272		677,026		32,618	67,400	(113,772)
Section B - Corporate Savings								
Pool stationery, printing, office supplies, equipment etc		20,000	Budgets reduced across a number of cost centres Spend to date generally within budgets	20,000	G			
Energy efficiencies		4,000	Budget reduced at Moresby - consistently underspent	4,000	G			
Review employment terms & conditions - car allowances		40,000	Budgets reduced across a number of cost centres will monitor during the year. Car allowance budgets 10.6% overspent (£4,544) at period 8 so the saving is being substantially delivered. Ongoing review of car allowance scheme with unions to deliver the balance	36,000	A		4,000	
Review Fees & Charges;								
Land & Property lease income	43,000		Managers forecast at P.10 includes additional income within Land Management £28k over and above the target saving	71,000	G			(28,000)
Recycling credits	7,000		Incorporated into recycling line above	0	G			7,000
Development Control	10,000		Increased income target for 2011/12. Forecast at P.10 expects income target to be met by year-end. May not be sustainable going forward to 2012/13	10,000	G			
		60,000						
Total Section B		124,000		141,000		0	4,000	(21,000)
Section C - Staff Savings by Service (exc. Redundancies)								
Legal & Democratic Services								
Reduce Mayoral costs	4,242		Mayoral Chauffeur - contract extended saving not being achieved	0	R	4,242		
Reduce administrative overheads	17,703	21,945	Vacant post deleted	17,703	G			
Cultural Services								
Reduce management costs		45,228	Vacant post deleted	45,228	G			
Bereavement Services								
Restructure operation of the Crematorium		12,934	Retirement September 2011	12,934	G			
Waste								
Cleaner	0		Redundancy following loss of contract	2,483	G			(2,483)
Restructure bulky waste collection service	41,402		Vacant post deleted	41,402	G			
Reduce Waste Management costs	24,132	65,534	Vacant post deleted	24,132	G			
Environmental Cleansing								
Reduce Sickness & Absence Cover	35,000		Budget reduced - will monitor during the year but saving expected following union agreement.	35,000	G			
Reduce Week-end Cleaning costs	23,000	58,000	Budget reduced - Forecast reduction likely to be achieved	23,000	G			
Parks & Open Spaces								
Reduce arboricultural costs	15,097		Total saving here in employee costs is £52,452. 2 x vacant posts deleted covering this area - value £42,023. £8,000 saving in seasonal staff will be monitored to see if it is delivered during the year. Small residual balance of £2,429 to be met from saving in supplies & services. Managers forecast at P.10 indicate that the saving has been achieved.		G			
Restructure allotment operations	1,500				G			
Reduce costs of maintenance for leased areas	6,930			52,452	G			
Reduce grass cutting	18,952				G			
Stop winter bedding planting	9,973				G			
Reduce Parks & Open Spaces management	33,693	86,145	Vacant post deleted	33,693	G			
Environmental Health								
Introduce flexible working	6,000		Salary payments reduced to 30 hours per week for 1 post to cover this saving	6,000	G			
Reduce operational costs in Environmental Health (Food, Health & Safety)	35,666		Vacant post deleted	35,666	G			
Reduce operational costs in Environmental Protection	25,897	67,563	Vacant post deleted	25,897	G			
Management Information Systems								
Reduce ICT costs		70,669	Vacant posts deleted	70,669	G			
Building Control								
Withdraw market supplements - effective October 2011	6,500		Budget reduced but withdrawal of supplements not achieved	0	R	6,500		
Reduce Admin. Costs	10,000	16,500	Budget reduced but saving not achieved	0	R	10,000		
Development Control								
Reduce Admin. Costs		10,500	Vacant post shared with Building Control - not delivered. Saving achieved by not filling a vacancy.	10,500	G			
Planning Policy								
Reduce Planning Policy costs		15,750	Forecast at P.10 indicates that the saving will be delivered.	15,750	G			
Housing								
Reduce Housing Management costs	40,852		Vacant post deleted	40,852	G			
Reduce admin. costs within grants section	24,132	64,984	Vacant post deleted	24,132	G			
Accountancy								
Reduce admin. costs		20,962	Vacant post deleted	20,962	G			
Process Improvement Team								
Reduce costs by deleting one vacancy		13,626	Vacant post deleted	13,626	G			
Customer Services								
Merge Copeland Direct and Cash Office to reduce staffing		44,595	Vacant posts deleted	44,595	G			

Saving description	Value		Notes on progress in delivering savings	Value delivered so far	R/A/G	Shortfall Red Items	Shortfall Amber Items	Over-achieved Green Items
	£	£						
Total Section C		614,935		596,676		20,742	0	(2,483)
Section D - Forecast cost of redundancies by department								
Legal & Democratic Services		75,000	Part delivery expected May 2011, balance delayed until September 2011	60,000	A		15,000	
Leisure & Environmental Services		35,510	Crematorium £4227, Pest Control £31,283. Savings delivered.	35,510	G			
Resources & Transformation		106,182	Accountancy £29,000 (now Treasury Management saving 2011/12), HR £30,000, PIT £47,182. HR saving includes deletion of a training post (£16,800) and a staff vacancy within Payroll £9,000, leaving £4,200 to be found from other areas including outsourcing payroll to Cumbria CC	101,982	A		4,200	
Development Operations		12,308	Beacon - saving delivered with additional value	17,765	G			(5,457)
Heads of Service Review		140,000	Saving delivered	140,000	G			
Total Section D		369,000		355,257		0	19,200	(5,457)
SELF ASSESSMENT SERVICE REVIEWS - PROGRESS REPORT AS AT 31 JANUARY 2012		1,771,207		1,769,959		53,360	90,600	(142,712)
			Balance still to find	1,248				1,248