

**SERVICE REVIEW SAVINGS 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 2012/13 service review savings proposals.

**RECOMMENDATIONS:**

Members are asked to note the current position in respect of the service review savings proposals included within the 2012/13 budget.

**1. INTRODUCTION**

- 1.1 This report gives an update on the position on the individual service review budget savings included within the 2012/13 budget.

**2. CURRENT POSITION**

- 2.1 Budget savings totalling £1,817,171 have been included within the 2012/13 revenue budget.
- 2.2 The service review savings within appendix A provide an analysis between savings that are expected to be delivered (Green), savings that are expected to be delivered during 2012/13 but are dependent on the outcomes of other actions or demand for services (Amber) and other savings where delivery is either subject to ongoing negotiations or is uncertain as to the timescale (Red).
- 2.3 The totals for the respective categories are as follows:
- Savings expected to be delivered (Green) - £728,071.
  - Savings expected to be delivered but which are dependent on the outcomes of other actions or demand for services (Amber) - £594,100.
  - Savings which are currently under negotiation (Red) - £495,000.
- 2.4 Of the savings under negotiation (the Red items);
- £330,000 relates to savings generated through the latest senior management proposals, which are out for consultation and the conclusion of a series of reviews being carried out in partnership with Chorley Borough Council, particularly IT, Parks and Waste Services.
  - £100,000 relates to vacancy management savings arising from staff turnover in 2012/13 and

- £65,000 relates to contractual savings within Property Services.

2.5 All service review savings proposals will be monitored through the Council's budget monitoring process with periodic reports coming through to Resource Planning Working Group and quarterly reports submitted to the Executive to measure progress against the overall savings target. This process will identify when those savings that currently identified as amber and red will be delivered and to what forecasted level.

### **3 CONCLUSIONS**

3.1 Members are asked to note the position outlined in the report.

### **4. STATUTORY OFFICER COMMENTS**

4.1 The Monitoring Officer's comments are: None

4.2 The Section 151 Officer's comments are: Included in the report

4.3 EIA Comments: None

4.4 Other consultee comments, if any: None at this stage

### **5. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?**

5.1 The savings proposals identified as part of the 2012/13 service review will be monitored on a monthly basis through the normal budget monitoring processes.

5.2 Changes to the forecasts will be reported as necessary to the Executive and Resource Planning Working Group, together with reasons for those changes.

### **6. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?**

6.1 By 31 March 2013, it is anticipated that budgeted savings totalling £1,817,171 will be delivered through the 2012/13 service review process.

### **List of Appendices:**

Appendix A – Service Review Proposals 2012/13 – Progress to date

**SELF ASSESSMENT SERVICE REVIEWS - 2012/13 PROGRESS REPORT AS AT 31 MARCH 2012**
**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
	£	£		£		£	£	£
<b>Section A Non-Staffing Savings</b>								
<b>Corporate Savings</b>								
Reduced inflation provision		130,000	Budget reflects this reduced inflation allowance	130,000	G			
<b>Corporate Resources</b>								
<b>Human Resources</b>								
Reduce the value of the staff training budget		20,000	Budget reduced	20,000	G			
<b>Finance</b>								
Reduce the costs of the discretionary concessionary travel scheme		30,000	Budget reduced	30,000	G			
<b>Democratic Services</b>								
Reduce Mayoral costs		3,000		3,000	G			
<b>Property Services</b>								
Reduce cost for the PFI contract	40,000		Negotiations at an early stage - Consultant engaged to review options		R	40,000		
Reduce costs for repairs & maintenance	25,000		Dependent on repair backlog		R	25,000		
		65,000						
		<b>118,000</b>		<b>53,000</b>		<b>65,000</b>	<b>0</b>	<b>0</b>
<b>Policy &amp; Transformation</b>								
<b>ICT</b>								
Surrender leased car and car parking space	1,960			1,960	G			
Timico internet link	6,000			6,000	G			
Safend replacement	5,000			5,000	G			
Immediacy Web Content Management - replace SQL/Server	5,200			5,200	G			
Reduce costs of telephones	10,000			10,000	G			
MPLS circuit replacement	9,000			9,000	G			
Network switch replacement	10,000			10,000	G			
		47,160		<b>47,160</b>				
<b>GIS</b>								
Reduce GIS licence costs		9,500		9,500	G			
		<b>56,660</b>		<b>56,660</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Neighbourhoods</b>								
<b>Building Control</b>								
Reduce running costs		1,500		1,500	G			
<b>Dogs Enforcement</b>								
Reduce costs of private contractors		4,000		4,000	G			
<b>Recycling</b>								
Review income	91,100				A		91,100	
Increased contractor costs	(20,000)			(20,000)	G			
increased transport costs	(6,500)			(6,500)	G			
		64,600						
<b>Bulk Collection</b>								
Reduction in transport costs		7,977		7,977	G			
<b>Waste</b>								
General reduction in direct materials & operational equipment		8,400		8,400	G			
<b>Environmental Health</b>								
Reduction in operating costs for maintaining private sewers	6,000			6,000	G			
General reduction in running costs across Environmental Health	5,300			5,300	G			
Reduce costs of air quality monitoring	9,000			9,000	G			
		20,300						
<b>Parks &amp; Open Spaces</b>								
Reduce running costs following closure of Beck Green Nursery	13,000			13,000	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
	£	£		£		£	£	£
Additional costs - empty business rates & security - Beck Green Nursery	(23,200)			(23,200)	G			
Reduce cost of gas for the cremator	2,000			2,000	G			
Reduce supplies and services at the Crematorium	5,000			5,000	G			
Additional income from contracts	55,000				A		55,000	
		51,800						
<b>Contractors Review</b>								
Reduce contract costs for leased vehicles	25,000			25,000	G			
Reduce contract costs Streetscene	5,000			5,000	G			
Reduce costs of private contracotrs - trees	5,000			5,000	G			
Reduce waste disposal costs Parks & Open Spaces	12,000			12,000	G			
		47,000						
		205,577		59,477		0	146,100	0
<b>Regeneration &amp; Communities</b>								
<b>Housing</b>								
Reduce budgets for housing survey work	39,000			39,000	G			
Income from New Homes Bonus	15,000			15,000	G			
Reduce Care & Repair contract	26,660			26,660	G			
		80,660						
<b>Sustainability</b>								
Curtail activities in relation to climate change		8,000		8,000	G			
<b>Health &amp; Wellbeing</b>								
Reduce management fee for NCL contract		75,000	Contract variations & legal process underway expected to be completed by 31 March 2012		A		75,000	
<b>Copeland Community Fund</b>								
Income for admin.fee		13,000		13,000	G			
		176,660		101,660		0	75,000	0
<b>Chief Executive</b>								
<b>Communications</b>								
Reduce website maintenance costs		5,700		5,700	G			
<b>Nuclear</b>								
Reduce conference costs		7,500		7,500	G			
<b>National Conferences</b>								
Reduce costs		3,350		3,350	G			
		16,550		16,550		0	0	0
<b>Fees &amp; Charges</b>								
Cemetery & Crematorium	52,000				A		52,000	
Building Control	10,000				A		10,000	
Development Control	10,000				A		10,000	
Car parking	15,000				A		15,000	
Other misc increases	1,000				A		1,000	
Rent reviews	7,000				A		7,000	
		95,000						
		95,000		0		0	95,000	0
<b>Total Section A</b>		798,447		417,347		65,000	316,100	0
<b>Section B - Corporate Savings</b>								
<b>Corporate Management</b>								
Reduce the cost of fees paid to the Audit Commission		15,000	Budget reduced	15,000	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
	£	£		£		£	£	£
<b>Total Section B</b>		<b>15,000</b>		<b>15,000</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Section C - Staff Savings by Service (exc. Redundancies)</b>								
<b>Corporate Savings</b>								
Vacancy Management	100,000				R	100,000		
Reduce base salaries	171,921			171,921	G			
Increased pay award	(25,000)			(25,000)	G			
		<b>246,921</b>		<b>146,921</b>		<b>100,000</b>	<b>0</b>	<b>0</b>
<b>Corporate Resources</b>								
Review staff terms & conditions		23,000			A		23,000	
<b>Accountancy</b>								
Review staffing		10,000		10,000	G			
<b>Policy &amp; Transformation</b>								
Reduce staffing costs through rostering	5,000				A		5,000	
Review the core work of the Policy & Transformation unit	20,000			20,000	G			
		25,000						
		<b>58,000</b>		<b>30,000</b>		<b>0</b>	<b>28,000</b>	<b>0</b>
<b>Neighbourhoods</b>								
<b>Building Control</b>								
Salary saving		3,000		3,000	G			
<b>Development Control</b>								
Review staffing		28,000		28,000	G			
<b>Environmental Health</b>								
Review staff working hours		7,000		7,000	G			
<b>Waste</b>								
Reduce staff costs for waste supervision		24,000		24,000	G			
		<b>62,000</b>		<b>62,000</b>				
<b>Regeneration &amp; Communities</b>								
<b>Economic Development</b>								
Review staffing		36,803		36,803	G			
<b>Arts Development</b>								
Review staffing		15,000		15,000	G			
<b>Community Safety</b>								
Review staffing - West Cumbria Safety Partnership		5,000		5,000	G			
		<b>56,803</b>		<b>56,803</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Section C</b>		<b>423,724</b>		<b>295,724</b>		<b>100,000</b>	<b>28,000</b>	<b>0</b>
<b>Section D - Forecast cost of savings involving redundancies</b>								
<b>Service Reviews</b>	330,000		Awaiting final outcome of senior management, parks, waste and IT servcie reviews.		R	330,000		
<b>Service Management</b>	250,000				A		250,000	
		<b>580,000</b>						
<b>Total Section D</b>		<b>580,000</b>		<b>0</b>		<b>330,000</b>	<b>250,000</b>	<b>0</b>

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	£	£		£		£	£	£
SELF ASSESSMENT SERVICE REVIEWS - 2012/13 PROGRESS REPORT AS AT 31 MARCH 2012		1,817,171		728,071		495,000	594,100	0
			Balance still to find	1,089,100				1,089,100