

APPENDIX 4 - MEDIUM TERM SERVICE & RESOURCE PLAN – IMPACT OF PROPOSED BUDGET CHANGES – RESOURCES BLOCK

Saving Items

1. PROPOSED REDUCTIONS TO BALANCE BUDGETS (excluding one off reversals)

This table summarises proposed savings and distinguishes between: Change Programme, Other Efficiencies, Income, Service Reductions, & Discontinued Services. Departmental savings are distinguished from savings on behalf of the Council as a whole – various corporate initiatives.

The Resources Block includes the Resources Department plus Legal & Democratic Services.

Staff Impacts - Full time Equivalents (FTE) – are approximate and to the nearest whole number. Some have still to be assessed and all are subject to consultation.

Equalities impact assessment are being completed for all savings and key issues are being taken into account.

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Change Programme Savings					
250	500	150	<p>ICT - Corporate</p> <p>Rationalisation of systems, improved procurement & implementation of new ICT Strategy plus consolidation of budgets.</p> <p>This saving will apply across all departments and so is described as</p>		<p>This saving is the balance remaining from the initial £1 million Change Programme target (£350k delivered in 12/13), plus additional savings target arising from new ICT strategy.</p> <p>Delivery is dependent upon ICT transferring in-house on 1 August 2013 & then centralisation and rationalisation of all ICT spend from 1 April 2013.</p> <p>Reduced spend on ICT will mean ICT will be provided strictly to</p>

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Change Programme Savings					
			<p>corporate even though will be led in the Resources Department.</p> <p>New centralised or federated staffing model required</p>		<p>meet priority business needs</p> <p>Staffing impacts cannot be assessed until the service has returned in house.</p> <p>The effective completion of this programme requires continued investment in the change from the relevant reserve and links to the various items in the capital programme.</p> <p>Link to Sirona ICT strategy to be evaluated</p>
73	27		<p>Finance</p> <p>Business & Financial Services: P2P</p> <p>Rationalising procure to pay (P2P) and income systems in finance either using centralised or federated staffing model</p>	<p>3 P2P 1 BFS</p>	<p>£60K Change target relating directly to Resources procure to pay and £40K similar target for consolidation of income functions across the Council including from rationalising cash income system & systems, which support web based payments facility.</p> <p>The effective completion of this programme requires continued investment in the change from the relevant reserve.</p> <p>P2P will deliver further savings within Place (£92k) and People & Communities (£65k) which will require staff restructuring & consolidation within these Directorates</p>
		170	<p>Customer Services</p> <p>Business Development</p> <p>Stopping the business development service once the new way of working has been fully rolled out in 2015/16.</p>	<p>3</p>	<p>This is a year 3 savings from simply stopping a service development function on the basis it will have become business as usual - The Business Development team in Customer Services supports the customer services change programme – removing this team will mean the programme comes to an end in 15/16 – the schedule suggests a one off source of resources in 15/16 may be needed to sustain the programme through that year and then</p>

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Change Programme Savings					
					stop.
		100	HR & Payroll – delivery model New methods with less data inputting and more self service.	5	New model for HR/Payroll service delivery agreed, consistent with future function and size of the Council. Currently subject to finalising the business case. Savings are dependent upon insourcing of transactional and payroll functions from Mouchel and new software platform to support manager / employee self-service. Full implementation will take 2 years. Benefits will also include accurate & up-to-date management information.
250	250		Management Structure Resources Department management structure to be reviewed		Consultation on a new management structure will start at the beginning of 2013. Following agreement of principles a more streamlined structure will be phased in. Staff impact to be assessed. Savings include related support.
100	100		ICT In-sourcing of ICT function		Relates to assumed overheads of current contract Staff impact to be assessed.
155	6	17	Customer Services New standardised and simplified customer contact arrangements	6	To be delivered as per Release 1 of customer services change plan. Face to face customer service options retained but self serve and web improved. Also affects e billing and document management,

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Change Programme Savings					
21	44		Improvement & Performance Web site administration efficiencies		New open systems Drupal web site to require less resources to maintain. No further staff impact expected
377	230		Property Property Services - Reduction in staffing levels to facilitate 20% reduction target	20	Some mitigation may be achieved by splitting the delivery and commissioning roles and combining some of delivery with project delivery elsewhere in the Council. A less responsive service will result including ability to take forward development opportunities unless one off development budgets can be identified. The rolling development fund helps with this but will need to be topped up from time to time.
10	20	20	Property Print procurement and delivery efficiencies.	3	<i>Business to be run at scaled back level to test viability of this approach. For more specialist work a new framework contract procured through the procurement partnership will be available.</i>
1,236	1,177	457			

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Other Cashable Efficiency Savings					
100	200		Transformation Removal of recurring budget		Gradual removal of all project budgets much of which is spent on lean systems thinking reviews, project support to Council services and ICT projects. Replacement with one off funding from reserves as required.
250	250		Policy & Partnerships Travel Plan – Corporate Review of business travel & reimbursement arrangements This saving will apply across all departments and so is described as corporate even though will be led in the Resources Department.		The Corporate Travel Plan together with the Workplaces project are intended to support changes in the business travel practices of staff reducing journeys and carbon emissions. Managers are currently assessing the impact on service delivery although no adverse impact is anticipated based on experience in other authorities. The saving arises from introducing HMRC travel rates and associated changes to mileage allowances but is subject to consultation.
	200		Policy, Performance & Administration in Resources Department Consolidation of support areas across Resources including democratic meetings support, aspects of information management, performance management and reporting.		Review to primarily affect democratic services, policy and partnerships plus improvement and performance to integrate functions and reduce systems and processes. Staff impacts unknown at this stage but assumption made based on level of saving There may be some corporate aspects to this review and potential links to the Resources management review.
			Property		There are distributed arrangements in place that could be

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Other Cashable Efficiency Savings					
			Consolidation of capital programme support, property & project management.		<p>combined to achieve savings from the management of capital schemes and project delivery.</p> <p>A spilt of some commissioning roles from project delivery and support is also appropriate in aspects of property and project delivery.</p> <p>This will potentially link with the Resources management review and in addition there will be corporate aspects to this review.</p> <p>Staff impact to be assessed.</p>
	50		Audit Risk & Assurance Consolidation of Procurement & Commissioning Support across the Council to increase resilience and sustain acceptable level of capacity and skills.		<p>Similar to the above but in respect of commissioning and procurement support. Scope to centralise or federate staff plus potential links to the Resources management review.</p> <p>Staff impact to be assessed.</p>
	25		Audit Risk & Assurance Information Governance Rationalisation with ICT Service		<p>Similar to the above but in respect of ICT & Information Governance roles following in sourcing of IT contract. Potential links to the Resources management review</p> <p>Staff impact to be assessed.</p>
29	16	6	Property Corporate Estate – efficiencies		<p>Reductions in corporate estate budgets to deal with one off work.</p> <p>No direct staff impact.</p> <p>The main savings relate to workplaces and have already been</p>

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Other Cashable Efficiency Savings					
					accounted for as part of that project. Separate savings relate to R&M for which see below.
75	75		Legal & Democratic Reduced structure for Legal Services	4	A 15% cut in legal support (split over 2 years) that will require clearer prioritisation of support based on impact and risk as assessed by the Council on a corporate basis. Any substantial legal challenges will need to be funded from project budgets or Council central contingency reserves. Shared working on specialist aspects of the service with other authorities to be accelerated to see if further efficiencies can be found.
		200	Finance More savings in management of finance to reduce the service to a core service	3	This level of savings will need to be measured carefully. As with legal and HR the risk is that the services will start to decline below acceptable levels and in this case qualification of accounts becomes a risk. To mitigate this, a very effective risk based approach will be needed. All other support services will be assessed to ensure no one service is disproportionately affected in year 3. Metrics and benchmarking will be important.
25	25		Property Cleaning Reduction in Cleaning spec across		A slightly reduced cleaning specification, which could start to impact noticeably on building cleanliness - so will be kept under review especially in busy areas and busy building with flexible office space. This represents a 20 % reduction.

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Other Cashable Efficiency Savings					
			corporate offices		
100			Resources Project Support Removal of Resources Change Project funding		There is now no funding available to support 'one-off' change projects within Resources
7			Customer Services Shop mobility Maintain Shopmobility service through current Customer Services team and greater use of volunteers		Option to fully remove the service has previously been considered and savings are now available as a result of absorbing workload within Customer Services team and co-location within One Stop Shop.
1,200			Finance Investment interest, Capital & debt costs – Corporate This saving will apply across all departments and so is described as corporate even though will be led in the Resources Department		Review of long term capital financing and financing reserves. The saving reflects the approach now inherent in the treasury management strategy and the capital programme financing arrangements. No provision required for rising interest costs as loans will be at fixed rates but opportunity cost of cash flow funding may become more expensive over time which has not been allowed for. The figure also includes £200,000 for carbon tax and this is no longer required as it has been possible to charge schools appropriately and the rates are slightly better than expected. A further £100,000 relates to saving in external audit fee following

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Other Cashable Efficiency Savings					
					<p>the abolition of the Audit Commission and appointment of Grant Thornton as external auditors.</p> <p>No direct staff or service impacts</p>
	500	500	<p>Policy & Partnerships + Property Community Use of Assets – Corporate</p> <p>This saving will apply across all departments and so is described as corporate even though will be led in the Resources Department</p>	n/a	<p>Review of use of Council owned assets based in communities to see which ones might be better run by the communities themselves, also which should be consolidated and which sold off. Also affected by the new statutory 'right to bid'.</p> <p>There is a risk that aspects of this saving might be double counted with savings elsewhere in medium term plans but this will not be evident until the review progresses.</p> <p>The review does not include the Councils main offices, which have been reviewed and are being rationalised as part of the workplaces programme. The savings from this have already been accounted for.</p>
1,786	1,291	706			

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Additional Income					
550	250	200	<p>Property Commercial Estate</p> <p>Increased revenue income through investment in Commercial properties.</p> <p>The Council as a whole benefits from the income in this estate, which presently is a net £13M.</p>	n/a	<p>This arises from the potential to invest in properties with secure returns that exceed those available through usual treasury management opportunities.</p> <p>The acquisitions need to be linked to the enhancement of the Council's estate and to therefore achieve wider property objectives.</p> <p>One example of such an acquisition has already been achieved in the current financial year and represents an early move towards this target. A more diversified property portfolio and support for regeneration are possible additional benefits.</p> <p>Over the next three years, the capital borrowed to fund the acquisitions is intended to be repaid using new capital receipts to be generated from lease restructuring which has no significant impact upon existing revenue streams.</p>
19	29	62	<p>Improvement & Performance - corporate</p> <p>Additional Advertising income</p> <p>This saving will apply across all departments and so is described as corporate even though will be led in the Resources Department</p>	n/a	<p>Income to be generated through increased advertising using the Council's web site and other means such as bus stops, traffic islands, and events.</p>

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Additional Income					
	500	500	Finance - corporate Tourism Levy This saving is described as corporate and will be led in the Resources Department	n/a	There is potential to introduce some form of tourism levy so that the Council's day-to-day investment in tourism and visitors can continue to be supported. Any such levy would be subject to widespread consultation and appropriate due diligence.
	500	250	Finance – corporate Trading Opportunities This saving will affect a number of departments, is described as corporate and will be led in the Resources Department		The Council has a number of trading partners and the aspiration is to review those relationships to assess the potential to increase Council income. These reviews will initially need to be treated as commercially sensitive.
569	1,279	1,012			

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Reduced (Public Facing) Service					
			<p>Customer Services</p> <p>Council Tax Support Scheme</p>		<p>The new local Council Tax Support scheme (formerly Council Tax benefits) is being introduced in a way that will offset the 20% reduction in Government funding for working age claimants. Pensioners are protected.</p> <p>This major change therefore shows as a nil net cost.</p> <p>Dues to the timetable for billing and tax base setting this change is to be considered by the November meeting of Council and in advance of budget setting.</p>
			<p>Customer Services</p> <p>Housing Benefits to Universal Credits</p>		<p>To try to avoid the reduction in access to face-to-face advice the Council is participating in as a pilot for the Department of Work & Pensions (DWP) and attracting funding for that purpose.</p> <p>The new system will be gradually introduced between October 2013 and 2017.</p> <p>The Council will cease to provide the service as the caseload migrates to the DWP but may be able to provide a local front office service if the pilot is successful.</p> <p>The financial arrangements for such a service are not yet clear and there will be implications for the voluntary sector who already provide advice claimants as well as money advice.</p> <p>A nil net cost has been assumed. There are about 10-15 staff that work in this area (HB) and their roles will potentially transfer or disappear over time, subject to the above.</p>

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Reduced (Public Facing) Service					
					<p>HB Admin Government grant equates to the cost of running the existing service. The benefits are currently funded by Government subsidy except for approximately £300K. This relates to complex subsidy rules and certain risk that remain with the Council. It is assumed that this will still be needed in future when Universal Credits are implemented as a means of funding a front office service.</p>
60	20	45	<p>Policy & Partnerships</p> <p>Partnership Delivery Commissioned services and local events budgets</p>		<p>Savings relate to</p> <ol style="list-style-type: none"> 1 Removal of dedicated budgets for local initiatives and events. Currently £19k used to complement local projects, including Christmas events and some co-ordination of local partnership activity. Budget has been reduced over the years and communities have been assisted in obtaining funding from other sources such as Ward Councillors Initiative 2 Savings from Christmas lighting budget in first year leading to ending of this budget at end of current contract. Budget currently £81k will reduce by £11k in year one, Year 2 and 3 savings assume that we have been able to generate income to fund any Christmas lights and or the level of provision has been reduced or efficiencies made 3 Saving from community safety budgets which will be achieved through continuing the change programme the Partnership began last year in the light of the advent of PCCs. Saving proposed £30k from a £40k budget set up in the 2012/13 budget to provide some flexibility in the transitional period

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Reduced (Public Facing) Service					
					<p>These savings coupled with savings delivered in 2012/3 leaves the service commissioning in 2013/14, local Healthwatch (new statutory responsibility) £72k, the reducing Christmas lights budget £70k, a contract on Voluntary and Community Sector support £65k, Street Marshalls work with the BID £21k, the Councils contribution to the Student Community Partnership £18k and some capacity to support some work with Equalities groups £40k</p>
107			<p>Legal & Democratic</p> <p>Reduced structure for support to members and panels</p>	3	<p>There will be a mixture of efficiencies and reductions in meetings that can be supported to achieve these savings.</p> <p>Further work is needed on the detail but the following is an indication of a possible approach. It should be noted that the reduced management capacity across the Council as a result of other savings will also limit the number of meetings that can be supported effectively. However, improvements to the community engagement approach, consultation through the web and social media and engagement through Ward Members are ways of mitigating the impact of less meetings. All of these are being improved and invested in with no additional cost.</p> <p>Democratic Services – number of meetings reduce by 40% with main impact on Full Council (7 meetings to 4), Cabinet (13 to 8) & most significantly PDS panels (40 to 12). This will reduce opportunity for Members to be involved in decision making Policy Development & Scrutiny – number of panels reduced from 6 to 3; the current level of member initiated reviews / inquiry days could not be supported</p>

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Reduced (Public Facing) Service					
					Member Support – capacity to support member meetings reduced and priority given to those meetings not within Council’s control e.g. to deal with applications / work with other Councils & partners. Reduction in the level of support provided by the Service for members.
344	85		Property Repairs and Maintenance Reductions in R&M budgets		A significant reduction in the budget of about 20%, which will mean that the already highly prioritised approach will be restricted further. Condition of assets will need to be monitored. Rationalisation and renewal of corporate estate, especially offices will help.
511	105	45			

13/14 Saving £000	14/15 Saving £000	15/16 Saving £'000s	How to be achieved ?	Staff Impact number posts deleted (FTE)	Impacts to service delivery
Discontinued (Public Facing) Services					
0	0	0			
4,102	3,852	2,220	TOTAL SAVINGS		

2. BUDGET PRESURES (Including inflation)

The following pressures have been allowed for:

13/14 Growth £000	14/15 Growth £000	15/16 Growth £'000s	Description of Growth (including driver)	Impacts on staff - (incl no of extra posts needed)	Impacts to service delivery
175	175	175	Pay costs 1% per annum - inclusive of any incremental increases & Members Allowances		The pay settlement for Local government is presently being negotiated for 2013/14 – there is a 1% public sector guideline – there has been a pay freeze over the last 3 years.
52		291	Inflation & contracts Super inflation on Utilities		2013-14 Gas increase approx. 20% (all Council assets) 2015-16 Electricity re-tender (all Council assets)
56	57	58	Business rates inflation		Business rates revaluation now deferred until 2017. Inflationary uplifts set by central Government even under new Resource System for Local Government.
180			IT – Microsoft licensing costs		The Council has benefitted from a three year 'holiday' on MS licensing but has now to re-enter a licensing agreement with them. This is unavoidable. The negotiated cost is £56k per annum less than in previous years. A move to open systems is proposed as part of the ICT strategy but will take time to implement.
164	167	170	IT supply chain		Inflationary uplifts for ICT support & licensing are unavoidable. This assumes that all ICT budgets are managed within Resources as per ICT Strategy. Based on 2% uplift only.

13/14 Growth £000	14/15 Growth £000	15/16 Growth £'000s	Description of Growth (including driver)	Impacts on staff - (incl no of extra posts needed)	Impacts to service delivery
30			Victoria Hall		On-going running costs under new operating arrangements which will see the Hall improved, community use and incorporation of the library. There may be extra income to offset these costs depending on use of the facility.
20			ICT Provision for Public Service Network connection.		Next generation of Government Connect - supports Government requirement for sharing data.
			Customer Services Implementation of new Council Tax Support scheme		See above Introduction of new Local Council Tax scheme. No net cost assumed. Grants available for systems implementation costs.
70			Customer Services Reduction in HB/CTB admin grant		See above Assume 5% reduction in DWP support in 13/14 (announcement expected in December). Further adjustments for introduction of Welfare Reform will impact shape and service delivery as and when known. Staff impacts may be substantial but depend on DWP arrangements as HB is phased out.
			Legal & Democratic Individual voter registration		Government recognise additional costs & sum will be made available nationally; but no clear details at this stage No net additional cost assumed as to be funded by Government.

13/14 Growth £000	14/15 Growth £000	15/16 Growth £'000s	Description of Growth (including driver)	Impacts on staff - (incl no of extra posts needed)	Impacts to service delivery
			Customer Services		
165			Service Supported Borrowing - Simpler Customer Relations Management System		Service Supported Borrowing costs required to fund Customer Services investment – this is more than offset by savings already accounted for and is unavoidable
19			Customer Services – Service Supported Borrowing Communications Hub		Service Supported Borrowing costs required to fund Comms Hub investment – again this is offset by savings already accounted for
			Oracle upgrade		Server upgrades to support more complex customer services revenues systems – unavoidable
20			Finance – Banking arrangements		One-off cost of re-tender of banking contract
50			Insurance arrangements		Diseconomies of scale from outsourcing / academies & general market pressures
31			Customer Services – server requirements for		New release of Oracle software requires a substantial investment in new servers. Growth relates to annual support & maintenance costs relating to this investment
55			Finance – Local Govt Resource Review, Council Tax Discounts, Treasury Mgt & growth models for development projects and City Deal	+1	Additional post to support more complex corporate accountancy requirements
30			Finance – Safeguarding & Deputyship		Increase in safeguarding issues & deputyship requirements in Adult Services and Client Finance Team
50			Revenue support for EU capital funding bids		Funding for temp post within major projects to enable EU grants to continue to be accessed – location of this role under consideration
1,167	399	694	TOTAL GROWTH		