

REVENUE BUDGET 2015/16 – FIRST DRAFT SAVINGS PLANS

Submitted by: Executive Director (Resources and Support Services)

Portfolio: Finance and Resources

Wards(s) affected: All

Purpose of the Report

To inform the Committee of the current proposals being considered to balance the 2015/16 revenue budget.

Recommendations

- a) That the Committee note the proposals as set out in the appendix to the report.
- b) That the Committee identify any areas where further information is required for consideration at its meeting in January.
- c) That the Committee suggest any further areas of savings that should be considered.

Reasons

To enable the Committee to review the proposals and to determine whether further information is required on any of the proposals.

1. **Background**

- 1.1 The Council's Medium Term Financial Strategy (MTFS), approved by Cabinet on 15 October 2014 and considered at your last meeting on 5 November indicated that there would be a budget "gap" of £1.850m in respect of 2015/16 and that this would need to be closed in order to produce a balanced budget.
- 1.2 There have been a number of changes to the "gap" since October, increasing it by £298,000 to £2.148m. These are set out in the table below.

Change	Amount
	£'000
Reduction in Housing Benefits and Local Council Tax Support Administration Subsidy payable in 2015/16 as notified by the Department of Work and Pensions and Department for Communities and Local Government (DCLG)	80
Reduction in rental income in respect of asset disposals agreed at October's Cabinet meeting	175
Adjustment to Revenue Support Grant following a change to the Business Rates Multiplier for 2015/16 announced by DCLG	16
Reduction in fees and charges income projections	27
Total	298

2. **Proposed Savings and Funding Strategies to eliminate the Budget Gap for 2015/16**

2.1 The Budget Review Group have been identifying and considering ways of eliminating this gap. As a result of this work, a number of savings and funding strategies have been identified and agreed with managers as being feasible and sustainable. The proposals are outlined in the table below and set out in detail in the attached Appendix to enable the Committee to review them and determine whether any further information is required on any of the proposals for consideration at its meeting in January. Further work is still ongoing to identify further savings.

Category	Amount	Comments
	£'000	
Procurement	96	Smarter procurement and reductions in the amount of supplies procured
Additional Income	141	Includes new sources of income and additional income arising from increased activity. This amount is additional to the amount included in the MTFS in respect of a general increase in fees and charges
Staffing Efficiencies	527	No redundancies are anticipated to arise from these proposals
Good Housekeeping Efficiencies Service Reductions, Changes in Base Budgets	265	Various savings arising from more efficient use of budgets
Alternative Sources of Finance / Other	1,119	Additional contribution to the revenue budget from New Homes Bonus funding. Additional Business Rates retained, savings from advanced payments of superannuation contributions, effect of forecast Council Tax Base increase. Details of the level of any council tax freeze grant or council tax "caps" have not yet been announced. Figures are based on the national arrangements in place for 2014/15. Details for 2015/16 are expected to be announced as part of the Local Government Financial Settlement on 17/18 December
Total	2,148	

3. **Timetable**

3.1 Set out in the table below are the key dates of the events still to take place before the budget for 2015/16 is finally approved.

When	Who	What
16 December	FRAPSC	First review of draft savings plans
17-19 December	All	Local Government Financial Settlement
13 January	Scrutiny Café (all members)	Scrutiny of the first draft of the overall budget proposals
14 January	Cabinet	Consideration of draft budget proposals
21 January	FRAPSC	Scrutiny of the draft budget proposals
4 February	Cabinet	Final budget proposals to be recommended for approval by Full Council
25 February	Full Council	To approve the budget

FRAPSC – Finance, Resources and Partnerships Scrutiny Committee

Ref.	Service Area	Description	£000's	% of Budget Line(s)	Detail
Procurement					
P1	Business Improvement and Partnerships	Grants and Third Sector Commissioning	23	9.7%	Reduction in budgetary requirement from collaboration with Staffordshire County Council regarding debt, benefit, and consumer information advice services
P2	Central Services	Land Charges Third Party Costs	8	16.7%	Reduction in fees payable to Staffordshire County Council for Highways searches
P3	Communications	Multi-Functional Devices	17	28.3%	Savings from negotiation of extension to existing contract (November to March) - further savings of £33,000 in 2016/17
P4	Communications	Printing and Publicity	10	10.0%	Savings generated from the centralisation of the Council's print and publicity budgets and the resulting challenges to purchasing
P5	Finance	Bank Contract	38	69.1%	Procurement savings resulting from tendering exercise for a new banking contract
			96		
Income					
I1	Assets	Public Transport Departure Fees	8	25.0%	Re-alignment of budget to match actual income received
I2	Assets	Additional Rental Income from Civic Offices	25	7.1%	Additional rental income from Civic Offices re. SSOTP NHS
I3	Central Services	Hackney Carriage and Private Hire Licences	20	10.1%	To reflect actual income expected from cyclical payments of three year licence fees
I4	Operational Services	Bereavement Services Income	28	2.4%	Increase of fees above inflation
I5	Operational Services	Streetscene Income	10	66.7%	Additional income generated from new customers
I6	Planning	Planning Fees and Building Control Costs	10	3.4%	A net saving from increased planning applications offset by increased costs required to be budgeted for regarding Building Control
I7	Recycling and Fleet	Trade Waste	10	2.1%	Net increase in income receivable
I8	Revenues and Benefits	Empty Home Discount	15	**	Empty homes discount reduced to 28 days
I9	Revenues Benefits	Discretionary Rate Relief	15	**	Reduction in the additional discretionary rate relief granted by the Council
			141		

Ref.	Service Area	Description	£000's	% of Budget Line(s)	Detail
Staffing Related Efficiencies					
S1	Assets	Restructure of Service	20	4.4%	Additional savings from finalisation of restructure of the Assets Service
S2	Business Improvement and Partnerships	Reduced Hours	8	5.2%	Reduction in hours of Business Improvement Officer (Risk and Insurance)
S3	Central Services	Flexible Retirements	32	11.5%	Flexible retirement of Senior Administration Assistant/Mayor's Secretary and Licensing Officer
S4	Communications	Flexible Retirement	12	10.9%	Flexible retirement of Design and Print Team Leader
S5	Customer and ICT Services	Flexible Retirement	38	8.0%	Flexible retirement of Head of Service
S6	Customer and ICT Services	Reduced Hours	6	9.4%	Reduction in hours of Clerical Assistant post in the Creditors Section
S7	Environmental Health	Temporary Contract	12	16.0%	Replacement of full time Environmental Warden (Pest Control) post with seasonal post for 6 months per annum
S8	Finance	Flexible Retirement and Reduced Hours	46	13.3%	Flexible retirement of Principal Accountant/Clerical Assistant, and reduction in hours of Principal Accountant
S9	Finance	Car Leasing Scheme	7	5.5%	Car leases not renewed following expiry
S10	Housing and Regeneration	Flexible Retirement	28	18.3%	Flexible retirement of Economic Development Officer
S11	Human Resources	Recruitment Adverts and Other Items	7	17.5%	Reduction in budgetary requirement to advertise vacancies and for other items
S12	Human Resources	Terms and Conditions Review	50	*	Review of employee terms and conditions
S13	Leisure and Cultural	Employee Hours at Kidsgrove Sports Centre	20	6.8%	Reduction in total employee hours at Kidsgrove Sports Centre
S14	Leisure and Cultural	Vacant Post	18	9.3%	Part replacement of General Manager post with marketing expertise
S15	Leisure and Cultural	Sports and Active Lifestyles Review	50	*	Total savings of £100,000 over 2015/16 and 2016/17 from review of staffing of the service
S16	Operational Services	Retirement	8	4.4%	Full retirement of Assistant Environmental Officer
S17	Operational Services	Temporary Contract	19	13.2%	Temporary contract of Landscape Technical Assistant to not be renewed (25% of full £26k cost re. Capital)
S18	Operational Services	Reduced Hours	5	9.3%	Reduction in hours of Community Warden
S19	Operational Services	Park Attendant Service	70	*	Total savings of £138,000 over 2015/16 and 2016/17 from review of service, management of the service and controllable supplies and services budgets
S20	Operational Services	Retirement	10	33.3%	Retirement of Public Convenience Attendant

2015/16 Savings and Funding Strategies Being Considered (will require robustness checks and final review)

Appendix

Ref.	Service Area	Description	£000's	% of Budget Line(s)	Detail
S21	Operational Services	Bereavement Services Restructure	22	10.7%	Restructure within Bereavement Services including retirement and flexible retirement
S22	Planning	Planning Officer posts	15	2.7%	Saving from replacement of Senior Planning Officer post with Planning Officer post and employment of new starters on lower spinal column points than leavers
S23	Planning	Reduced Hours	5	3.0%	Reduction in hours of Secretary
S24	Resources and Support Services	Reduced Hours	3	2.3%	Reduction in hours of Secretary
S25	Revenues and Benefits	Reduced Hours	5	1.0%	Reduction in hours of Clerical Assistant (Revenues Billing)
S26	Revenues and Benefits	Flexible Retirement	11	0.2%	Flexible retirement of Revenues Assistant
			527		
Good Housekeeping/General Other Savings/Changes in Base Budgets					
G1	Assets	Engineers - Other Fees for Services	2	50.0%	Reduction in budgetary requirement for other fees for services
G2	Business Improvement and Partnerships	Grants and Third Sector Commissioning	7	21.2%	Reduction in small and community chest grants
G3	Business Improvement and Partnerships	Other Fees for Services, Equipment, Seminars, Allowances	6	42.9%	Reduction in budgetary requirement for other fees for services, equipment, seminars and allowances
G4	Central Services	Elections	36	26.5%	Saving from Running Borough Elections Alongside Parliamentary Election in 2015/16 (one off saving).
G5	Communications	Jazz and Blues Festival	2	40.0%	Reduction in contribution to the Town Centre Partnership re. Jazz and Blues Festival, remainder of contribution to be removed in 2016/17
G6	Communications	Computer Hardware, Other Fees for Services, Overtime	3	50.0%	Reduction in budgetary requirement for computer hardware, other fees for services and overtime
G7	Communications	Print Room Joint Venture with Stoke-on-Trent City Council	8	100.0%	Removal of requirement to contribute to the equipment replacement fund following the introduction of a print and associated services joint venture with Stoke-on-Trent City Council
G8	Customer and ICT Services	Review of the Customer Service Centres	10	2.1%	Review of the Guildhall and Kidsgrove Customer Service Centres (further £20,000 saving to be achieved in 2016/17)
G9	Customer and ICT Services	Reduction in Computer Support Services and Software Costs	13	2.6%	Reduction in budgetary requirement for computer support services and computer software costs
G10	Customer and ICT Services	Reduction in Staffordshire County Council Network Contract	4	30.8%	Reduction in budgetary requirement for Staffordshire County Council network charges

2015/16 Savings and Funding Strategies Being Considered (will require robustness checks and final review)

Appendix

Ref.	Service Area	Description	£000's	% of Budget Line(s)	Detail
G11	Environmental Health	Pest Control Vehicle Lease, Fuel, Equipment	3	12.0%	Reduction in budgetary requirement for vehicle lease, fuel and equipment purchases
G12	Environmental Health	Travelling Allowances, Other Fees for Services, Equipment	10	18.2%	Reduction in budgetary requirement for travelling allowances, other fees for services and equipment
G13	Finance	Business Rates on Council Properties	42	4.7%	Reduction in business rates for which the Council is liable (Museum and Art Gallery, Crematorium and Central Depot)
G14	Housing and Regeneration	Christmas Lights	12	27.9%	Reduction in budget provision for Town Centre Christmas lights
G15	Housing and Regeneration	Town Centre Partnership Contribution	7	25.0%	Phased removal of contribution to the Town Centre Partnership (£7,500 in 2015/16 and £22,500 in 2016/17)
G16	Housing and Regeneration	Homelessness Projects	19	29.2%	Reduction in budgetary requirement for Homelessness projects
G17	Internal Audit	Other Fees for Services, Training, Equipment	2	25.0%	Reduction in budgetary requirement for other fees for services, training and equipment
G18	Leisure and Cultural	Community Centres	14	20.0%	Payment of business rates, electricity, water and trade waste collection by all occupied Community Centres and reduction in grant given by the Council
G19	Leisure and Cultural	Community Recreation Service Transport	10	100.0%	Non-renewal of lease agreement for transport in the service
G20	Leisure and Cultural	New Victoria Theatre Grant	10	10.2%	Phased reduction of grant given over a 5 year period
G21	Operational Services	Merrial Street Toilets	10	55.6%	Planned closure and subsequent reduction in controllable costs - utilities, overtime, maintenance, statutory inspections
G22	Operational Services	Landscape General Efficiencies	2	40.0%	Reductions in budgetary requirement for other fees for services, legal fees, travelling allowances and overtime
G23	Operational Services (Admin)	Employee Allowances, Equipment Purchase	5	13.5%	Reduction in budgetary requirement re. employee allowances and equipment purchase
G24	Recycling and Fleet	Waste Transfer Station	15	15.0%	Change in disposal legislation (Staffordshire County Council)
G25	Recycling and Fleet	Waste Strategy	5	6.7%	Equipment purchase (containers), one off saving for 2015/16
G26	Revenues and Benefits	Cash Collections and Training	8	14.3%	Reduction in budgetary requirement for cash collections and training
			265		

Ref.	Service Area	Description	£000's	% of Budget Line(s)	Detail
Alternative Sources of Finance/Other					
A1	Corporate	Business Rates Retention Scheme	200	5.3%	Increase in business rates retainable by the Council as per NNDR1 calculations
A2	Corporate	Invest to Save Savings	23	**	Savings following financing of invest to save schemes (e.g. Mayoral vehicle and weed control mechanical equipment)
A3	Corporate	Superannuation Lump Sum	61	6.1%	Discount for payment in advance of superannuation lump sums of £76k, less lost interest of £15k
A4	Corporate	Council Tax	133	**	Details of the level of any freeze grant or council tax "caps" have not yet been announced, These figures are based on the arrangements in place for 2014/15
A5	Corporate	Council Tax Base	65	1.1%	Increase in Council Tax Base (increase in residential properties from 34,890 to 35,255 at £176.93 per property)
A6	Corporate	New Homes Bonus contribution	421	60.6%	Further additional funding to be received in 2014/15 (split with capital) and change of split with capital
A7	Corporate	Grants to Parishes	15	25%	Reduction in the contribution given to Parish Councils per head for concurrent functions
A8	Corporate	Revenue Investment Fund	50	50.0%	Reduction of contribution to the Revenue Investment Fund to £50k per annum
A9	Corporate	Minimum Revenue Provision	151	100%	Vehicle and equipment finance leases re. International Financial Reporting Standards adjustments
			1,119		
Grand Total			2,148		
<p><i>* Unable to determine % at current time</i></p> <p><i>** Not applicable</i></p>					