

## **REVENUE BUDGET 2018/19 – FIRST DRAFT SAVINGS PLANS**

**Submitted by:** Executive Director (Resources and Support Services)

**Portfolio:** Finance, IT and Customer

**Wards(s) affected:** All

### **Purpose of the Report**

To inform the Committee of the current proposals being considered to balance the 2018/19 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 updated Medium Term Financial Strategy and Efficiency Plan for 2018/19 to 2022/23 was approved by Cabinet on 18 October 2017 and considered at your last meeting on 5 October. It indicated that there will be a budget "gap" of £1.535m in respect of 2018/19 and that this will need to be closed in order to produce a balanced budget.
- 1.2 Over the 10 years from 2008/09 to 2017/18 £22.010m of "gaps" will have been met via a combination of savings, efficiencies and additional income, as shown in the table below:

<b>Year</b>	<b>£m</b>
2008/09	1.250
2009/10	2.572
2010/11	2.389
2011/12	2.655
2012/13	2.621
2013/14	1.783
2014/15	2.100
2015/16	2.078
2016/17	1.834
2017/18	2.728

## **2. Proposed Savings and Funding Strategies to eliminate the Budget Gap for 2018/19**

2.1 The Budget Review Group and your officers 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.

<b>Category</b>	<b>Amount</b>	<b>Comments</b>
	<b>£'000</b>	
Procurement	50	Rationalisation of Multi-Function devices and negotiation of contract pricing
Staffing Efficiencies	270	No redundancies are anticipated to arise from these proposals
Good Housekeeping Efficiencies, General Other Savings, Changes in Base Budgets	268	Various savings arising from more efficient use of budgets
Alternative Sources of Finance/ Other Savings	688	New Homes Bonus funding, savings from negotiated contribution rates and advanced payments of superannuation contributions, effect of forecast Council Tax Base increase, savings from Parish Council concurrent functions contributions, capitalisation of equipment purchases. An assumed £5 (per band D equivalent) increase in Council Tax.
<b>Total</b>	<b>1,276</b>	

2.2 This still leaves a shortfall of £0.259m to be identified (£1.535m current forecast MTFs 'gap', less £1.276m savings and funding strategies).

## **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 2018/19 is finally approved.

<b>When</b>	<b>Who</b>	<b>What</b>
27 November	FRAPSC	First review of draft savings plans
Mid-Late December	All	Local Government Financial Settlement
17 January	Cabinet	Consideration of draft budget proposals
24 January	FRAPSC	Scrutiny of the draft budget proposals
7 February	Cabinet	Final budget proposals to be recommended for approval by Full Council
21 February	Full Council	To approve the budget

FRAPSC – Finance, Resources and Partnerships Scrutiny Committee

## **4. List of Appendices**

Appendix 1: Savings and Funding Strategies

Ref	Service Area	Description	£000's	% of Budget Line(s)	Detail
<b>Procurement</b>					
P1	Communications	Multi-Functional Devices	50	67.6%	Rationalisation of number of devices following the move to Castle House, and entering into a new contract
			<b>50</b>		
<b>Staffing Related Efficiencies</b>					
S1	All	Flexible Retirements	159	1.0%	Employees approved for flexible retirement
S2	Environmental Health	Health and Safety	12	28.7%	Replacement of Health and Safety Officer post with shared resource (South Staffordshire District Council)
S3	Environmental Health	Restructure	43	4.5%	Minor restructure of Environmental Health section
S4	Finance	Car Leasing Scheme	36	42.4%	Car leases not renewed following expiry
S5	Waste and Recycling	Restructure	20	6.5%	Minor restructure of Waste Strategy section
			<b>270</b>		
<b>Good Housekeeping/General Other Savings/Changes in Base Budgets</b>					
G1	Finance	Subscriptions	20	17.1%	Reductions in budgetary requirements for corporate subscriptions
G2	Assets	Public Sector Hub	37	TBC	Remainder of revenue savings from occupation of new public sector hub when compared to occupation of Civic Offices
G3	Assets	CCTV	20	40.4%	Reduction in costs of monitoring and equipment maintenance
G4	Business Improvement & Partnerships	Grants	37	50.0%	Balance of grants budget following the introduction of a Borough lottery to replace current grants process, with proceeds distributed to local good causes and charities
G5	Customer and ICT Services	Reduction in Computer Software Costs	20	4.8%	Reduction in budgetary requirement for computer software costs
G6	Central Services	Council 2018	60	19.7%	Reduction of the number of elected members
G7	Leisure and Cultural	Community Centres	14	25.9%	Reduction in grant given by the Council and reduction in repairs and maintenance following grant of full leases to Community Centre committees, agreed as part of the 2015/16 budget setting process
G8	Leisure and Cultural	New Victoria Theatre Grant	10	14.9%	Phased reduction of grant given over a 5 year period agreed as part of the 2015/16 budget setting process
G9	All	Good Housekeeping Savings	50	TBC	Reductions in budgetary requirements for supplies and services
			<b>268</b>		

<b>Alternative Sources of Finance/Other</b>					
A1	Corporate	Superannuation Lump Sum	137	7.9%	Negotiation of contribution rate and discount for payment to the Pensions Actuary in advance of superannuation lump sums
A2	Corporate	Capitalisation	130	TBC	Capitalisation of anticipated equipment purchases
A3	Corporate	Council Tax Base	48	0.7%	Increase in Council Tax Base (forecast increase of 260 residential properties)
A4	Corporate	New Homes Bonus contribution	124	7.6%	Further additional New Homes Bonus funding to be received in 2018/19. This is subject to the finalisation of the revised scheme, details of which will not be known until late December
A5	Corporate	Council Tax Increase	184	2.7%	Assumed increase of £5 per Band D equivalent property
A6	Corporate	Parish Council Section 136 Contributions	15	25.0%	Phased reduction of payments made to Parish Councils for concurrent functions as agreed as part of the 2017/18 budget setting process
A7	Corporate	Business Rates	50	1.2%	Additional revenue generated through the Business Rates Retention system
			<b>688</b>		
<b>Grand Total</b>			<b>1,276</b>		

NB. This still leaves a shortfall of £0.259m to be identified (£1.535m current forecast MTFs 'gap', less £1.276m savings and funding strategies)