

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 6th DECEMBER 2006

REPORT OF THE PRINCIPAL ACCOUNTANT

This matter is the responsibility of Executive Councillor Williams

SAVINGS DELIVERY PLANS 2007/08

1 Executive Summary

- 1.1 The Heads of Service have, as part of the budget process for 2007/08, produced savings delivery plans which if accepted by the Executive will enable the forecast budget gap (based on a forecast Council Tax increase of 4.5%) to be closed to within £131k. The Review Board will consider the savings delivery plans on 30 November. The Executive is requested to agree the proposals outlined in the savings delivery plans, and for their inclusion in the draft 2007/07 budget.

2 PURPOSE

- 2.1 Following on from the budget meeting held with the Executive on 26 September 2005, the Chief Executive and Directors issued savings targets to each Head of Service.
- 2.2 The Review Board will consider the savings delivery plans on 30 November 2006

3 MEDIUM TERM FINANCIAL PLAN (MTFP) UPDATE

- 3.1 The estimated budget gap reported to the Review Board on 5 October 2006 was £105k. Since then, the Financial Services team have been progressing the detailed budget spreadsheets with Managers. This is the detail behind many of the assumptions in the MTFP, and until this task is completed, the "budget gap" is still very much an estimate.
- 3.2 The latest predicted budget gap is £219.6k. The main reasons for this increase of £114.6k are:-
- A change in MTFP assumptions regarding PCSO funding (+£21k);
 - Increase in Licensing Income Base Budget (-£11k);
 - Notification of a reduction in Housing Benefit Admin Subsidy Grant (+£22k);
 - Increase in Residents Parking Income Base Budget (-£30k);
 - Increase in Planning Income Base Budget (-£11k);
 - Additional cost of Concessionary Fares (+£175k).
 - Increase Crematorium Income (-£37.4k)
 - Extra income from increased tax base (-£14k)

3.3 The provisional announcement on the Revenue Support Grant (RSG) is due in late November/early December and this could have a negative or positive impact on the budget position.

3.4 A further update on the budget gap position will be provided in the budget consultation packs issued to all Councillors towards the end of December.

4 SAVINGS TARGETS & DELIVERY PLANS

4.1 The table below summarises the targets issued and the proposed level of savings identified by Heads. The detailed delivery plans are appended to this report. Each saving has been considered for its “acceptability” in terms of both operational and public perception aspects.

4.2 Summary of Targets and Proposed Savings 2007/08

Actions	General Fund Savings/ Income Targets £000	Heads of Service Proposed Savings £000	Responsible Officer/Comments
Budget Gap	219.6	219.6	
Savings Targets			
Head of Corporate Services	0	0	KT
Head of Environment	(51.5)	(40)	PW (Appendix A)
Head of Development	(25.8)	(25.8)	TN (Appendix B)
Head of Policy & Performance	(8.6)	(8.6)	BC (Appendix C)
Head of Housing	(8.6)	(9)	MW (Appendix D)
CE/Directors	(5.5)	(5.5)	PJ/Directors (Appendix E)
Remaining Gap	119.6	130.7	

4.3 The table above demonstrates that significant progress has been made by Heads of Service in meeting the targets set by them. If all the proposed savings are taken then the estimated budget gap is now £130.7k.

4.4 A verbal update will be given regarding any comments from the Review Board meeting on 30th November 2006.

5 CONCLUSION

5.1 The Authority must ensure that it is able to delivery a sustainable budget. The Savings Delivery Plans will help the Council to achieve this target.

6 RECOMMENDATION

6.1 The Executive are requested:-

- (a) To note the updated budget gap for 2007/08 and
- (b) To agree the proposals outlined in the savings delivery plans, and for their inclusion in the draft 2007/08 budget.

BACKGROUND PAPERS

Review Board 5 October 2006, General Fund Budget Setting 2007/08

Review Board 30 November 2006, Fees and Charges 2007/08

Review Board 30 November 2006, Savings Delivery Plans 2007/08

Contact Officers: Emily Collacott, Principal Accountant
Tel 01823 356421
Email: e.collacott@tauntondeane.gov.uk

Tom Noall
Head of Development
Tel 01823 356454
Email: t.noall@tauntondeane.gov.uk

Pete Weaver
Head of Environment and Leisure
Tel 01823 356403
Email: p.weaver@tauntondeane.gov.uk

Brendan Cleere
Head of Policy and Performance
Tel 01823 356350
Email: b.cleere@tauntondeane.gov.uk

Malcolm Western
Head of Housing
Tel 01823 356312
Email: m.western@tauntondeane.gov.uk

DETAILS OF PROJECTED SAVINGS 2007/08 - Head of Environment and Leisure

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		07/08 £	08/09 £	09/10 £	Operational	Public	
					ACCEPTABILITY		
					Easier (1) to harder (3)		
A: INCOME GROWTH							
A1	Increase in income from Licensing	3,300	3,300	3,300	1	1	Growth achieved through promotion
A2							
Subtotal group A		3,300	3,300	3,300			
B: PRICE INCREASES							
B1	Increase in Licensing fees	6,700	6,700	6,700	1	2	May be some resistance but generally acceptable
Subtotal group B		6,700	6,700	6,700			
C: EFFICIENCY SAVINGS							
C1	Reduction in Licensing budget	10,000	10,000	10,000	1	1	Can be accommodated as Gambling Act is less onerous than Licensing Act
C2	Reduction in Civil Contingencies budget	15,000	15,000	15,000	1	1	Much of work has proved to be one-off.
C3	Reduction in Public convenience budget	5,000	5,000	5,000	1	1	Achieved through efficiencies
Subtotal group C		30,000	30,000	30,000			
D: FRONT-LINE SERVICE CUTS							
D1							
D2							
Subtotal group D		0	0	0			

TOTAL with category 1s	33,300	33,300	33,300
TOTAL with category 1s and/or 2s	6,700	6,700	6,700
TOTAL with category 3s	0	0	0
Total available	40,000	40,000	40,000
Check (should equal zero!)	0	0	0

DETAILS OF PROJECTED SAVINGS 2007/08 - Head of Development

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		07/08 £	08/09 £	09/10 £	Operational	Public	
					ACCEPTABILITY		
					Easier (1) to harder (3)		
A: INCOME GROWTH							
A1	Increased income from charging for pre-application advice	15,000	15,000	15,000	1	2	Proposed increase in charges for pre-application meetings as follows: £40 for householder application, £80 for minor applications, £120 for major applications (currently charge £30 for any meeting lasting 30 mins or less and £50 for any meeting lasting more than 30 mins)
A2	New agency marketing contracts at the TIC	2,800	2,800	2,800	1	1	Increased income arising from new ticketing agency agreements eg with new bus company service to London at the TIC.
A3							
Subtotal group A		17,800	17,800	17,800			
B: PRICE INCREASES							
B1							
B2							
Subtotal group B		0	0	0			
C: EFFICIENCY SAVINGS							
C1	Countryside trails and circular walks	1,000	1,000	1,000	1	1	Efficiencies arising from in-house printing of leaflets.
C2							
C3							
Subtotal group C		1,000	1,000	1,000			
D: FRONT-LINE SERVICE CUTS							
D1	Business Support Grant	7,000	7,000	7,000	2	3	Reduction in budget from £45,190 to £38,190. Would result in reduced levels of support for start-up and expanding businesses and could jeopardise ability to meet LAA "stretch targets" for business creation and support. This could be avoided if compensatory funding is available from LABGI over the next 2 years (LABGI funding may close after 2 years).
D2							
D3							
Subtotal group D		7,000	7,000	7,000			

TOTAL with category 1s	3,800	3,800	3,800
TOTAL with category 1s and/or 2s	15,000	15,000	15,000
TOTAL with category 3s	7,000	7,000	7,000
Total available	<u>25,800</u>	<u>25,800</u>	<u>25,800</u>
Check (should equal zero!)	0	0	0

DETAILS OF PROJECTED SAVINGS 2007/08 - Head of Policy and Performance

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		07/08 £	08/09 £	09/10 £	Operational	Public	
					ACCEPTABILITY		
					Easier (1) to harder (3)		
A: INCOME GROWTH							
A1							
A2							
Subtotal group A		0	0	0			
B: PRICE INCREASES							
B1							
B2							
Subtotal group B		0	0	0			
C: EFFICIENCY SAVINGS							
C1							
C2							
Subtotal group C		0	0	0			
D: FRONT-LINE SERVICE CUTS							
D1	Cuts within the Policy and Performance Headship	8,600	8,600	8,600	1	1	Various cuts with the Headship.
D2							
D3							
Subtotal group D		8,600	8,600	8,600			

TOTAL with category 1s	8,600	8,600	8,600
TOTAL with category 1s and/or 2s	0	0	0
TOTAL with category 3s	0	0	0
Total available	8,600	8,600	8,600
Check (should equal zero!)	0	0	0

DETAILS OF PROJECTED SAVINGS 2007/08 - Head of Housing

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		07/08 £	08/09 £	09/10 £	Operational	Public	
					ACCEPTABILITY		
					Easier (1) to harder (3)		
A: INCOME GROWTH							
A1							
A2							
Subtotal group A		0	0	0			
B: PRICE INCREASES							
B1							
B2							
Subtotal group B		0	0	0			
C: EFFICIENCY SAVINGS							
C1	Reduced costs of Stock Condition Survey	7,000	7,000	7,000	1	1	The costs of the survey can be reduced by partnering with other districts.
C2							
Subtotal group C		7,000	7,000	7,000			
D: FRONT-LINE SERVICE CUTS							
D1	Reduction in consultants budgets for HIMO management	2,000	2,000	2,000	3	1	
D2							
D3							
Subtotal group D		2,000	2,000	2,000			

TOTAL with category 1s	7,000	7,000	7,000
TOTAL with category 1s and/or 2s	0	0	0
TOTAL with category 3s	2,000	2,000	2,000
Total available	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>
Check (should equal zero!)	<u>0</u>	<u>0</u>	<u>0</u>

DETAILS OF PROJECTED SAVINGS 2007/08 - CEO/Directors

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		07/08 £	08/09 £	09/10 £	ACCEPTABILITY		
					Operational	Public	
					Easier (1) to harder (3)		
A: INCOME GROWTH							
A1							
A2							
	Subtotal group A	0	0	0			
B: PRICE INCREASES							
B1							
B2							
	Subtotal group B	0	0	0			
C: EFFICIENCY SAVINGS							
C1							
C2							
	Subtotal group C	0	0	0			
D: FRONT-LINE SERVICE CUTS							
D1	Reduction in consultants budget	5,500	5,500	5,500	2	1	This budget is currently used to fund certain corporate initiatives and consultancy costs that arise during the year. This budget saving will mean that should if any unforeseen consultancy requirements arise, then funding will not be available.
D2							
	Subtotal group D	5,500	5,500	5,500			

TOTAL with category 1s	0	0	0
TOTAL with category 1s and/or 2s	5,500	5,500	5,500
TOTAL with category 3s	0	0	0
Total available	5,500	5,500	5,500
Check (should equal zero!)	0	0	0