

## TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 7th DECEMBER 2005

### REPORT OF THE PRINCIPAL ACCOUNTANT

This matter is the responsibility of Executive Councillor Williams

### SAVINGS DELIVERY PLANS 2006/07

#### **1 Executive Summary**

1.1 The Heads of Service have, as part of the budget process for 2006/07, 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 £50k. The Review Board considered the savings delivery plans on 24 November and made no formal suggestions for amendments to the delivery plans. The Executive is requested to agree the proposals outlined in the savings delivery plans, and for their inclusion in the draft 2006/07 budget.

#### **2 Introduction**

2.1 Following on from the budget meeting held with the Executive on 23 September 2005, the Chief Executive and Directors issued savings targets to each Head of Service. Corporate Management Team has reviewed the detailed savings plans proposed by Heads.

2.2 The Review Board considered the savings delivery plans on 24 November 2005.

#### **3 Medium Term Financial Plan (MTFP) Update**

3.1 The estimated budget gap reported to the Review Board on 6 October 2005 was nearly £0.74m. 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 £0.70m. The main reasons for this decrease of £40k are:-

- a change in MTFP assumptions regarding Customer Services (+£40k);
- additional debt costs mentioned in the "Capital Programme Update 2005/06" report which went to Executive on 16 November 2005 (+£60k);
- a change in MTFP assumptions regarding the loss of car park income due to Silk Mills (-£100k);
- additional rental income following a rent review (-£40k).

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 2006/07**

<b>Actions</b>	<b>General Fund Savings/ Income Targets £000</b>	<b>Heads of Service Proposed Savings £000</b>	<b>Responsible Officer/Comments</b>
Budget Gap	700	700	
<b>Income Generation</b>			
Car Parking Income	-333	-333	JL
(In addition solutions to be worked up to generate an additional £50k for CCTV costs – not in MTFP)	-50 (for CCTV costs)	-50	Nil impact on gap due to increased costs of CCTV scheme
Crematorium Fees Increase	-50	-50	PW (£132k has been achieved through fee increases. However the manager is requesting that £5k is reinvested in the service to fund grounds maintenance & other costs to improve the aesthetics of the crematorium. In addition £77k would be set aside each year to fund Mercury Abatement Works. The new cremation fee would now be £459)
Other fees and charges to be increased by 10%	-23	-9	PC (Following discussions with officers a 10% increase in all fees is unrealistic)
Deane Helpline/Building Control Reserve – total of £50k to be taken from the	-50	-50	TN/MW (£20k from the Building Control Reserve, £30k from

annual surplus on each trading account to support the GF budget			Deane Helpline)
<b>Cross Cutting Savings</b>			
Corporate Procurement savings	-50	-7	BC (Appendix A) The recent spend analysis commissioned by the Council is being reviewed as a matter of urgency to identify any further potential savings through procurement. One example might be more efficient procurement of hotel and travel costs on behalf of the authority. Independent of the ISiS project, discussions are planned with the County Council to explore joining up certain procurement activities to yield efficiency savings for both authorities.
Centralisation of Training Savings	-10	-10	KT (Appendix B)
Centralisation of Furniture and Equipment savings	-5	-5	PJ
<b>Other Savings Targets</b>			
Head of Corporate Services	-60	-60	KT (Appendix B)
Head of Environment	-60	-70	PW (Appendix C, an element of this Delivery Plan has staffing implications which must be discussed as an exempt item.)
Head of Development	-30	-30	TN (Appendix D)
Head of Policy & Performance	-10	-10	BC (Appendix E)
Head of Housing	-10	-10	MW (Appendix F)
CE/Directors	-6	-6	PJ/Directors (Appendix G)
<b>Remaining Gap</b>	<b>3</b>	<b>50</b>	

4.3 As mentioned earlier the Review Board considered the delivery plans at their last meeting, and made no formal suggestions for amendments to the delivery plans. However comments were made about the following items:

- The impact of the reduction to the HMO budget (appendix F),
- Concern over reductions to budgets serving rural areas (appendix D)
- The impact of the reduction to the bus shelters budget (appendix D)

There were also some comments about the savings detailed in the exempt appendix C and these are shown in the exempt item of this report.

## **5 Conclusion**

5.1 The Authority must ensure that it is able to delivery a sustainable budget which does not rely on the use of reserves to fund ongoing expenditure. The Savings Delivery Plans go a long way to closing the gap and Officers are considering what further actions could be used to close the reported gap of £50k. The level of the 2006/07 Revenue Support Grant will also be crucial to this.

## **6 Recommendation**

6.1 The Executive are requested:-

- (a) To note the updated budget gap for 2006/07, and
- (b) To agree the proposals outlined in the savings delivery plans, and for their inclusion in the draft 2006/07 budget.

## **Background Papers**

Review Board 6 October 2005, General Fund Budget Setting 2006/07

Review Board 24 November 2005, Savings Delivery Plans 2006/07

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**DETAILS OF PROJECTED SAVINGS - Procurement**

**APPENDIX A**

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		06/07 £	07/08 £	08/09 £	Operational	Public	
					ACCEPTABILITY		
					Easier (1) to harder (3)		
<b>A: INCOME GROWTH</b>							
A1	Increase external supplies to SCC schools	5,000			1	1	
A2							
A3							
A4							
A5							
<b>Subtotal group A</b>		<b>5,000</b>	<b>0</b>	<b>0</b>			
<b>B: PRICE INCREASES</b>							
B1							
B2							
B3							
B4							
B5							
<b>Subtotal group B</b>		<b>0</b>	<b>0</b>	<b>0</b>			
<b>C: EFFICIENCY SAVINGS</b>							
C1	Reduction in spend on Furniture via Corporate contract	2,000			1	1	
C2							
C3							
C4							
C5							
<b>Subtotal group C</b>		<b>2,000</b>	<b>0</b>	<b>0</b>			
<b>D: FRONT-LINE SERVICE CUTS</b>							
D1							
D2							
D3							
D4							
D5							
<b>Subtotal group D</b>		<b>0</b>	<b>0</b>	<b>0</b>			

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

**DETAILS OF PROJECTED SAVINGS - Head of Corporate Services**

**APPENDIX B**

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		06/07 £	07/08 £	08/09 £	Operational	Public	
					<b>ACCEPTABILITY</b>		
					Easier (1) to harder (3)		
<b>A: INCOME GROWTH</b>							
A1							
A2							
A3							
A4							
<b>Subtotal group A</b>		<b>0</b>	<b>0</b>	<b>0</b>			
<b>B: PRICE INCREASES</b>							
B1							
B2							
B3							
B4							
<b>Subtotal group B</b>		<b>0</b>	<b>0</b>	<b>0</b>			
<b>C: EFFICIENCY SAVINGS</b>							
C1	Removal of vacant P/T Payments Officer post from Finance team (R42)	6,000			1	1	
C2	IT reduction in call costs (R98)	6,500			1	1	
C3	Reduction of cabling costs	5,000			1	1	
C4	Reduction in Web site costs as a result of sharing with SCC (R98)	3,000			1	1	
C5	Reduction in electrical work associated with Deane House office moves (R97)	2,000			1	1	
C6	Reduction in hardware maintenance (number of devices being maintained has reduced) (R97)	6,000			1	1	
C7	Customer Services licence fee reduction	12,000			1	1	
C8	Income and Control Manager salary savings (half post) (R64)	12,000			1	1	
C9	Training Budgets Centralised	10,000			2	1	
C10							
<b>Subtotal group C</b>		<b>62,500</b>	<b>0</b>	<b>0</b>			
<b>D: FRONT-LINE SERVICE CUTS</b>							
D1	Stop Digital TV (DiTV) project subscription	7,500			1	1	
D2							
D3							
D4							
<b>Subtotal group D</b>		<b>7,500</b>	<b>0</b>	<b>0</b>			

TOTAL with category 1s	60,000	0	0
TOTAL with category 1s and/or 2s	10,000	0	0
TOTAL with category 3s	0	0	0
Total available	<u>70,000</u>	<u>0</u>	<u>0</u>
Check (should equal zero!)	<u>0</u>	<u>0</u>	<u>0</u>

## DETAILS OF PROJECTED SAVINGS - Head of Development

## APPENDIX D

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		06/07 £	07/08 £	08/09 £	Operational	Public	
					<b>ACCEPTABILITY</b>		
					Easier (1) to harder (3)		
<b>A: INCOME GROWTH</b>							
A1	Increased income from property valuation	1,000			1	1	Arising from rent reviews
A2	Increased income from Building Control Conference	2,000			1	1	From increased conference attendance fees
A3	Increased advertising income via Tourism	1,000			1	1	Increased fees from advertisements in Accommodation Guide
A4							
<b>Subtotal group A</b>		<b>4,000</b>	<b>0</b>	<b>0</b>			
<b>B: PRICE INCREASES</b>							
B1							
<b>Subtotal group B</b>		<b>0</b>	<b>0</b>	<b>0</b>			
<b>C: EFFICIENCY SAVINGS</b>							
C1	Reduction in printing Community leaflets	2,500			1	1	Modest saving on promoting local attractions
C2	Reduction in contribution to Countryside initiatives	1,200			1	1	As above
C3	Repair/Replacement of street nameplates	1,660			1	1	Slight reduction in number of annual replacements
C4	Replacement of bus shelters	1,000			1	2	May result in some additional delay in replacing some bus shelters
C5	Property management maintenance & repair	1,190			1	1	Compatible with spending in recent years
C6	Retail business grants	9,950			1	1	Take up of shop front grants has declined in recent years as most needy properties have already benefited
C7	Conservation area assessments	1,000			1	1	Budget too small to be effective
C8	Landscaping	1,000			1	1	Reduced contribution toward County schemes
C9	Walks & Trails	1,010			1	1	Reduction in number of leaflets produced
C10	Local Nature Reserve Management	1,000			1	1	Saving in management costs
C11	Biodiversity	1,000			1	1	Modest reduction in promotion of biodiversity
C12	Asset Management - survey	1,000			1	1	Efficiencies in cost of surveys
C13	Building Logbooks	1,000			1	1	Efficiencies in line with Construction Design and Management Regs
C14	Head of Development - Conference expenses	500			1	1	In line with recent spending
C15	Dean Building Design - publications	1,000			1	1	In line with recent spending
<b>Subtotal group C</b>		<b>26,010</b>	<b>0</b>	<b>0</b>			
<b>D: FRONT-LINE SERVICE CUTS</b>							
D1							
<b>Subtotal group D</b>		<b>0</b>	<b>0</b>	<b>0</b>			

TOTAL with category 1s	29,010	0	0
TOTAL with category 1s and/or 2s	1,000	0	0
TOTAL with category 3s	0	0	0
Total available	<u>30,010</u>	<u>0</u>	<u>0</u>
Check (should equal zero!)	<u>0</u>	<u>0</u>	<u>0</u>



**DETAILS OF PROJECTED SAVINGS - Head of Policy and Performance**

**APPENDIX E**

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION						
		06/07 £	07/08 £	08/09 £	Operational	Public							
<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;">ACCEPTABILITY</td> </tr> <tr> <td style="text-align: center;">Operational</td> <td style="text-align: center;">Public</td> </tr> <tr> <td colspan="2" style="text-align: center;">Easier (1) to harder (3)</td> </tr> </table>								ACCEPTABILITY		Operational	Public	Easier (1) to harder (3)	
ACCEPTABILITY													
Operational	Public												
Easier (1) to harder (3)													
<b>A: INCOME GROWTH</b>													
A1													
A2													
A3													
<b>Subtotal group A</b>		<b>0</b>	<b>0</b>	<b>0</b>									
<b>B: PRICE INCREASES</b>													
B1													
B2													
B3													
<b>Subtotal group B</b>		<b>0</b>	<b>0</b>	<b>0</b>									
<b>C: EFFICIENCY SAVINGS</b>													
C1													
C2													
C3													
<b>Subtotal group C</b>		<b>0</b>	<b>0</b>	<b>0</b>									
<b>D: FRONT-LINE SERVICE CUTS</b>													
D1	Revenue budget reduction of £10,000 across policy and performance operational budgets	10,000			2	1	Reduction in the initiatives budgets , e.g. commissioning research, publishing corporate strategies						
D2													
D3													
D4													
D5													
<b>Subtotal group D</b>		<b>10,000</b>	<b>0</b>	<b>0</b>									

TOTAL with category 1s	0	0	0
TOTAL with category 1s and/or 2s	10,000	0	0
TOTAL with category 3s	0	0	0
Total available	10,000	0	0
Check (should equal zero!)	0	0	0

**DETAILS OF PROJECTED SAVINGS - Head of Housing**

**APPENDIX F**

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		06/07 £	07/08 £	08/09 £	Operational	Public	
					ACCEPTABILITY		
					Easier (1) to harder (3)		
<b>A: INCOME GROWTH</b>							
A1							
A2							
A3							
A4							
<b>Subtotal group A</b>		<b>0</b>	<b>0</b>	<b>0</b>			
<b>B: PRICE INCREASES</b>							
B1							
B2							
B3							
B4							
<b>Subtotal group B</b>		<b>0</b>	<b>0</b>	<b>0</b>			
<b>C: EFFICIENCY SAVINGS</b>							
C1							
C2							
C3							
C4							
<b>Subtotal group C</b>		<b>0</b>	<b>0</b>	<b>0</b>			
<b>D: FRONT-LINE SERVICE CUTS</b>							
D1	Decrease HMO Consultants(H03S652)	10,000			3	1	This will reduce the budget to £5,480
D2							
D3							
D4							
D5							
<b>Subtotal group D</b>		<b>10,000</b>	<b>0</b>	<b>0</b>			

TOTAL with category 1s	0	0	0
TOTAL with category 1s and/or 2s	0	0	0
TOTAL with category 3s	10,000	0	0
Total available	10,000	0	0
Check (should equal zero!)	0	0	0

**DETAILS OF PROJECTED SAVINGS - CE/Directors**

**APPENDIX G**

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		06/07 £	07/08 £	08/09 £	Operational Easier (1) to harder (3)	Public Easier (1) to harder (3)	
<b>A: INCOME GROWTH</b>							
A1							
A2							
A3							
<b>Subtotal group A</b>		<b>0</b>	<b>0</b>	<b>0</b>			
<b>B: PRICE INCREASES</b>							
B1							
B2							
B3							
<b>Subtotal group B</b>		<b>0</b>	<b>0</b>	<b>0</b>			
<b>C: EFFICIENCY SAVINGS</b>							
C1							
C2							
C3							
<b>Subtotal group C</b>		<b>0</b>	<b>0</b>	<b>0</b>			
<b>D: FRONT-LINE SERVICE CUTS</b>							
D1	Reduction in hours for CEO PA (to 4 days). Already actioned in 2005/06. (P11)	4,600	0	0	1	1	
D2	Reduction in Consultants budget (R40)	1,400	0	0	1	1	
D3							
D4							
D5							
<b>Subtotal group D</b>		<b>6,000</b>	<b>0</b>	<b>0</b>			

TOTAL with category 1s	6,000	0	0
TOTAL with category 1s and/or 2s	0	0	0
TOTAL with category 3s	0	0	0
Total available	<u>6,000</u>	<u>0</u>	<u>0</u>
Check (should equal zero!)	<u>0</u>	<u>0</u>	<u>0</u>