

2011/12 Budget - Savings Proposal

Service: Change & Improvement
Proposal Number: Overall savings for Directorate

Description of Proposal

As with all directorates, Change and Improvement faced budget reductions in the 2010/11 budget as part of the £9m cost challenge. More significantly for Change and Improvement was the £404,000 in-year budget reduction (as part of the £4m Council challenge) which represents 12.5% of its total budget (including the stewardship budgets). This saving has been carried forward in base.

In light of some of the significant proposed cuts to many key front line services we recognise that we must demonstrate that we are as lean as possible and have focussed our offering on the critical services only. We also need to make a significant contribution to the shortfall of the £15m for the 2011/12 overall council budget. We therefore need to make significant savings and do this in a way that minimises the impact on our critical services

As detailed in Appendix 1 we have proposed savings to this new adjusted base of circa **25% over the next 3 years**. Taken with the in-year savings applied to base, this means a total reduction in our budget of circa **34% from the initial 2010/11 budget until 2013/14**. In cash terms this means a cumulative saving of almost **£3.4m over 4 years** or over 1 year's full budget (at the pre-adjusted 2010/11 level) saved over the 4 years.

Proposed saving (see detail in Appendix I)

Proposed Saving in 2011/12 £'000s	Proposed Saving in 2011/12 FTE Staff	Proposed Saving in full year £'000s	Proposed Saving in full year FTE Staff
494*	c.12*	494*	c.12*

** These costs and FTEs are indicative and the actual savings will depend on exactly which members of the Directorate are selected for redundancy following the consultation and selection process*

	2011/12 £'000s	Full Year £'000s
People	£365	£365
Property	£0	£0
Third Party	£0	£0
Infrastructure/Kit	£40	£40
New Income	£45	£45
Avoided (budgeted) spend	£44	£44

Base Budget 2010/11 (revised July 2010)

	£'000s
Expenditure	
Employees	£1,787
Other Direct Running Costs (Premises, Transport and Supplies)	£330
Stewardship budgets (E-Government and Developing Together)	£844
Gross Expenditure	£2,961
Income	
Sales, Fees and Charges	£0
Grant and External Contributions	£0
Support Services Income	£0
Gross Income	£0
Net Expenditure	£2,961

Recent Changes to Base Budget

	£'000s
Growth approved in the 2010/11 Base Budget (strengthening Client function)	£270
Savings approved in the 2010/11 Base Budget (in year savings)	(£404)
Revised 2010/11 base budget	£2,827

Impact of Proposal on public / services	<p>The proposal has been developed as the lowest impact on the critical services provided by C&I given the significant savings required. It does significantly reduce the size of this small Directorate. This reduces both the services that can be provided and the flexibility of the team to undertake any ad hoc tasks in the future.</p> <p>Most of the functions focus internally although there will be indirect impacts on public services.</p>
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Impact of Proposal on performance	<p>Some internal services will now not be provided or will be provided on a reduced basis. Some services will also be provided at reduced levels of performance. Where external income is targeted (GIS), resources will be focussed on this at the expense of existing internal services.</p>
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Impact of Proposal on staff	<p>12 staff will be put formally at risk as a result of these proposals. The levels of redundancies will then be subsequently determined by the selection and assessment and redeployment process. See proposed structure in Appendix II.</p>
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Practical requirements regarding implementation and timetable	The formal 90 day consultation with staff at risk commences on 25 th October 2010.
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Equalities Impact	A full EIA will be undertaken as part of this process in line with corporate guidelines.
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Appendix I

	2011/12	2012/13	2013/14
Base at start of year	2,827,000	2,332,300	2,252,300
Savings applied to base	494,700	80,000	120,000
New adjusted base	2,332,300	2,252,300	2,132,300
Savings achieved by:			
Non-staff savings	40,000	20,000	20,000
Directorate			
Director p.a. – 0.5 FTE	12,500		
C&I Administration / p.a. – 1.0 FTE	25,000		
Growth item	(20,000)		
Corporate performance			
Existing B8 vacancy	54,900		
Existing B10 vacancy (remainder)	29,300		
2 Performance/Policy officers	69,500		
Business Services			
Further Client savings (from £204k)	44,000	60,000	50,000
HR & OD			
B7 vacancy (Corporate Programme team)	44,000		
Income from selling GIS to other authorities	45,000		
Reduction in Information team (part time role)	14,000		
Comms / Web / Design			
Existing vacancy - Ext comms B7 (merge with Head of Comms)	37,500		
Existing web vacancy	25,800		
Merged events / Marketing role	30,000		
Comms support role	26,200		
Design - staff reduction and/or income generation.	17,000		
Change to E-Government budget (at £394,000)			50,000
Sub-total	494,700	80,000	120,000
Savings (in-year) %	17.5	3.4	5.3
Total savings in year 1 from start of base %	27.8		
Savings total over 3 years			694,700
Savings % total over 3 years relative to adjusted 2010/11 base			24.6
Total 3 year savings from start 2010/11 as a % of original 2010/11 budget			34.0
Cumulative saving from 2010 original baseline until end of 2013/14 (4 years)			3,380,100

