

## 2011/12 Budget - Savings Proposal

**Service: Finance and Corporate Governance**

**Proposal Number: CF 1**

### Description of Proposal

**To reduce the salary costs of the accountancy section, excluding the team that works directly with schools (5.4 FTE) and the team involved in safeguarding vulnerable adults' assets (2 FTE).**

**This will be achieved through a comprehensive restructure of the section.**

### Proposed Saving

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
190	TBD	190	TBD

	2011/12 £'000s	Full Year £'000s
<b>People</b>	<b>190</b>	<b>190</b>
<b>Property</b>		
<b>Third Party</b>		
<b>Infrastructure/Kit</b>		

### Base Budget 2010/11 (including schools and safeguarding)

	£'000s
<b>Expenditure</b>	
Employees	1,097
Other Direct Running Costs (Premises, Transport and Supplies)	9
Third Party Payments	134
Transfer Payments	0
Capital Financing Costs	0
Support Services Costs	0
<b>Gross Expenditure</b>	<b>1,240</b>
<b>Income</b>	<b>0</b>
Sales, Fees and Charges	-150
Grant and External Contributions	-44
Support Services Income	-1,046
<b>Gross Income</b>	<b>-1,240</b>
<b>Net Expenditure</b>	<b>0</b>
Base Budget 2010/11 Full time Equivalent Staff	29.6

## Recent Changes to Base Budget

	£'000s
Growth approved in the 2010/11 Base Budget	110.0
Savings approved in the 2010/11 Base Budget	24.3

<b>Impact of Proposal on public / services</b>	<p>Although there is not an obvious direct impact on public services, a reduction in staff numbers will inevitably lead to a delay in the provision of, or the ability to provide, information. This will be mitigated through system enhancements and training.</p> <p>Regarding services to the departments, the Head of Corporate Finance will work with the Director of Finance and Corporate Governance and the Finance Board to agree a clear set of roles and responsibilities that will result in more of the financial functions being met by the departments where the ultimate responsibility for managing budgets lies.</p>
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<b>Impact of Proposal on performance</b>	<p>In addition to that set out above, a further concern must be that of managing the final accounts process and the related view of the Audit Commission and other statutory bodies.</p> <p>Clarifying roles and responsibilities and improving training throughout the section will help mitigate this.</p>
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<b>Impact of Proposal on staff</b>	<p>Although the section has a number of vacant posts at this time, the extent of the reduction will require a complete rethink of the structure and existing salary bands.</p> <p>There is likely to be redundancies but the total is not currently known due to the vacant posts held and the selection process.</p>
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<b>Practical requirements regarding implementation and timetable</b>	<p>The main issue is the need for enhanced IT to be made available to managers to access the financial systems themselves. There is currently discussion about requirements going forward but it is unlikely that there will be a solution, which will require upfront investment, in place by 1 April 2011.</p>
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<b>Equalities Impact</b>	<p>There are no specific issues with regard to equalities from this proposal. An Equality Impact Assessment will be completed.</p>
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## 2011/12 Budget - Savings Proposal

**Service: Finance and Corporate Governance**

**Proposal Number: CF 2**

### Description of Proposal

To achieve savings within the premiums and excess payments made by the Council in respect of insurances. This will be achieved through discussions with the Council's insurers and through changing the charging of excess payments from a central pool to a direct recharge to the services that gives rise to claims. Although the central (finite) budget will be transferred to the services to meet these costs the overall costs of the service would increase for benchmarking terms and we believe that the additional awareness that this would create would prompt changes to working practices with a resultant reduction in payments.

### Proposed Saving

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
50	0	50	0

	2011/12 £'000s	Full Year £'000s
<b>People</b>		
<b>Property</b>		
<b>Third Party</b>	50	50
<b>Infrastructure/Kit</b>		

### Base Budget 2010/11

	£'000s
<b>Expenditure</b>	
Employees	0
Other Direct Running Costs (Premises, Transport and Supplies)	1,100
Third Party Payments	96
Transfer Payments	236
Capital Financing Costs	
Support Services Costs	55
<b>Gross Expenditure</b>	<b>1,487</b>
<b>Income</b>	
Sales, Fees and Charges	(492)
Grant and External Contributions	0
Support Services Income	(386)
<b>Gross Income</b>	<b>(878)</b>
<b>Net Expenditure</b>	<b>609</b>
Base Budget 2010/11 Full time Equivalent Staff	0

## Recent Changes to Base Budget

	£'000s
Growth approved in the 2010/11 Base Budget	0
Savings approved in the 2010/11 Base Budget	200

<b>Impact of Proposal on public / services</b>	The proposals will increase the awareness of issues that result in insurance claims and the subsequent payments and increased premiums. Reducing these should lead to a safer community.
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<b>Impact of Proposal on performance</b>	None.
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<b>Impact of Proposal on staff</b>	None.
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<b>Practical requirements regarding implementation and timetable</b>	This can be implemented with little additional work.
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<b>Equalities Impact</b>	There are no specific issues with regard to equalities from this proposal. An Equality Impact Assessment will be completed.
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## 2011/12 Budget - Savings Proposal

**Service: Finance and Corporate Governance**

**Proposal Number: CF 3**

### Description of Proposal

The contract for internal audit runs finishes on 31 August 2011 and Cabinet have recently agreed that officers consider whether to go out to tender or provide an in-house service. The approach will be to achieve 20% savings on the total cost. Despite the reduced budget we will work to ensure that the audits are more focused and include more cross service reviews.

### Proposed Saving

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
30	0	60	0

	2011/12 £'000s	Full Year £'000s
<b>People</b>		
<b>Property</b>		
<b>Third Party</b>	30	60
<b>Infrastructure/Kit</b>		

### Base Budget 2010/11

	£'000s
<b>Expenditure</b>	
Employees	34
Other Direct Running Costs (Premises, Transport and Supplies)	1
Third Party Payments	257
Transfer Payments	0
Capital Financing Costs	0
Support Services Costs	15
<b>Gross Expenditure</b>	<b>307</b>
<b>Income</b>	
Sales, Fees and Charges	0
Grant and External Contributions	0
Support Services Income	(307)
<b>Gross Income</b>	<b>(307)</b>
<b>Net Expenditure</b>	<b>0</b>
Base Budget 2010/11 Full time Equivalent Staff	1

## Recent Changes to Base Budget

	<b>£'000s</b>
Growth approved in the 2010/11 Base Budget	0
Savings approved in the 2010/11 Base Budget	0

<b>Impact of Proposal on public / services</b>	If not carefully managed and planned there could be a perception of a weakness in managing the internal control environment of the authority. Audit planning will be more challenging and will be the focus of regular review by the Audit Committee.
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<b>Impact of Proposal on performance</b>	Priority will be given to audits on key systems and risk areas that should ensure that performance is maintained.
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<b>Impact of Proposal on staff</b>	There is one member of staff in the audit team that is directly employed by Thurrock Council with all other members of the team employed by RSM Tenon. Should the savings be achieved through less audit days there would be an impact on those employed by RSM Tenon.
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<b>Practical requirements regarding implementation and timetable</b>	A robust Internal Control framework must be maintained and we would seek to liaise with the Audit Commission on any proposals. The Council must decide whether the service would be better provided by an external contractor as is currently the case or for the service to be brought back in-house or even provided by another authority.
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<b>Equalities Impact</b>	There are no specific issues with regard to equalities from this proposal. An Equality Impact Assessment will be completed.
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## 2011/12 Budget - Savings Proposal

**Service: Finance and Corporate Governance**

**Proposal Number: CF 4**

### Description of Proposal

Recent government announcements have seen a reduction in the inspection regime. As part of the £4m savings proposals a reduction in fees of circa £20k was accepted relating to the abolition of CAA. The Use of Resources assessment has also been abolished but, at this time, councils are still waiting to be informed of the level of fee reduction. This proposal suggests a further £20k.

### Proposed Saving

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
20	0	20	0

	2011/12 £'000s	Full Year £'000s
People		
Property		
Third Party	20	20
Infrastructure/Kit		

### Base Budget 2010/11

	£'000s
<b>Expenditure</b>	
Employees	
Other Direct Running Costs (Premises, Transport and Supplies)	
Third Party Payments	
Transfer Payments	
Capital Financing Costs	
Support Services Costs	405.6
<b>Gross Expenditure</b>	<b>405.6</b>
<b>Income</b>	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
<b>Gross Income</b>	<b>0</b>
<b>Net Expenditure</b>	<b>405.6</b>
Base Budget 2010/11 Full time Equivalent Staff	0

## Recent Changes to Base Budget

	£'000s
Growth approved in the 2010/11 Base Budget	0
Savings approved in the 2010/11 Base Budget	0

<b>Impact of Proposal on public / services</b>	There is no impact from the Council reducing this budget.
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<b>Impact of Proposal on performance</b>	The decision to stop assessing the Council's corporate performance has been taken by national government and there is no additional impact from this reduction in fees.
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<b>Impact of Proposal on staff</b>	There is no impact on council staff.
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<b>Practical requirements regarding implementation and timetable</b>	A reduction in fees will just be actioned although the actual amount will only be known following an Audit Commission announcement.
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<b>Equalities Impact</b>	There are no specific issues with regard to equalities from this proposal. An Equality Impact Assessment will be completed.
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## 2011/12 Budget - Savings Proposal

**Service: Finance and Corporate Governance**

**Proposal Number: CF 5**

### Description of Proposal

The Director of Finance and Corporate Governance and Corporate Finance have recently carried out a debt restructuring exercise that will save significant sums in the short term. The assumption is that all savings made in the medium term will be transferred straight to reserves to strengthen the Council's financial standing which means that the £1m contribution to reserves within the MTFF will no longer be required.

### Proposed Saving

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
1,000	0	1,000	0

	2011/12 £'000s	Full Year £'000s
<b>People</b>		
<b>Property</b>		
<b>Third Party</b>	1,000	1,000
<b>Infrastructure/Kit</b>		

### Base Budget 2010/11

	£'000s
<b>Expenditure</b>	
Employees	
Other Direct Running Costs (Premises, Transport and Supplies)	
Third Party Payments	
Transfer Payments	
Capital Financing Costs	5,903.27
Support Services Costs	
<b>Gross Expenditure</b>	<b>5,903.27</b>
<b>Income</b>	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
<b>Gross Income</b>	
<b>Net Expenditure</b>	<b>5,903.27</b>
Base Budget 2010/11 Full time Equivalent Staff	

## Recent Changes to Base Budget

	£'000s
Growth approved in the 2010/11 Base Budget	0
Savings approved in the 2010/11 Base Budget	150

<b>Impact of Proposal on public / services</b>	By achieving the reserve levels required through this approach means that the savings requirement from services is reduced by £1m.
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<b>Impact of Proposal on performance</b>	As officers have currently decided to finance the new debt through short term borrowing the performance in our daily treasury management has a different focus and is already increasing the expected return from this decision.
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<b>Impact of Proposal on staff</b>	There is no impact on council staff.
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<b>Practical requirements regarding implementation and timetable</b>	The debt restructuring has already taken place.
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<b>Equalities Impact</b>	There are no specific issues with regard to equalities from this proposal. An Equality Impact Assessment will be completed.
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