

22 January 2013	ITEM: 6
Corporate Overview & Scrutiny Committee	
BUDGET 2013/14 – 2014/15 SAVINGS AND CAPITAL PROPOSALS	
Report of: Martin Hone, Director of Finance & Corporate Governance	
Wards and communities affected: All	Key Decision: No
Accountable Head of Service: Sean Clark, Head of Corporate Finance	
Accountable Director: Martin Hone, Director of Finance & Corporate Governance	
This report is public	
Purpose of Report: To invite the Committee to note and review proposals for budget savings that will support the aim of balancing the budget for the 2013/14 and 2014/15 financial years. The report also sets out the capital bids that have been put forward that are relevant to this committee.	

EXECUTIVE SUMMARY

Members of this committee have already scrutinised a number of savings proposals that are being considered as part of the budget setting process for 2013/14 – 2014/15. This report brings forward further proposals to achieve this aim.

The report also informs the committee of the capital bids that have been submitted by officers that fall within the remit of this committee.

Overview and Scrutiny are asked to review and comment on the savings proposals that are set out in Appendices 1 and 3 and the capital bids that are set out in Appendix 2.

1. RECOMMENDATIONS:

- 1.1 That the Committee notes and reviews the additional proposals for budget savings set out in Appendices 1 and 3 to this report;**
- 1.2 Comment on the approach to the use of reserves; and**
- 1.3 Notes and reviews the capital bids set out in Appendix 2 to this report.**

2. INTRODUCTION AND BACKGROUND:

- 2.1 The Council's MTFs has been reported throughout the year and was recently considered by Cabinet on 12 December 2012 where Cabinet acknowledged that there was still a budget deficit despite the savings that had already been proposed.
- 2.2 The report also informed Members that officers were working on additional proposals to close this budget deficit with the aim of delivering a balanced budget for the financial years 2013/14 and 2014/15.
- 2.3 Further proposals were submitted to Cabinet on 16 January 2013 and those proposals relevant to this committee are included at Appendix 1 to this report for the Committee's consideration.
- 2.4 The Committee should be aware that government announced the level of central government support that the Council can expect for the financial years 2013/14 and 2014/15 – the total reduction is just short of £12m against a budgeted reduction of £6m over the two years.
- 2.5 As such, even if all proposals submitted to Cabinet on 16 January are accepted, the 2013/14 financial year will be balanced but there remains a budget deficit of £1.476m for the financial year 2014/15. Officers are currently working on additional proposals to close this budget deficit.
- 2.6 The Committee should also be aware that the Director of Finance and Corporate Governance has received savings proposals from other Members of the Council and through the Lets Talk campaign. These proposals are currently being worked up by officers. Should any be relevant to this committee, an Appendix 3 will be issued to Members in advance of the committee meeting for consideration alongside the officer proposals.
- 2.7 Officers have also submitted capital scheme bids to be included in the capital programme. There are only limited resources available and all bids are competing for these resources.
- 2.8 Appendix 2 sets out the bids that are relevant to this committee with the current financial recommendation as to whether the project can be resourced or not. The Committee is asked to challenge the need and level of the bids to inform the compilation of the draft capital programme for consideration by Cabinet and Council in February 2013.
- 2.9 Further to the savings proposals and capital bids set out in this agenda, it is within the remit of this committee to consider the use of reserves.
- 2.10 Members will be aware that the Council has now achieved its optimum level of General Fund reserves of £8m and, through the transfer of assets from the development Corporation, a further £4.3m available.
- 2.11 It is therefore proposed that over the two year period these reserves in excess of the optimum level set by the Director of Finance and Corporate Governance

could be applied as transitional funding to support changes to services, such as supporting NEETS and School Improvement, and also to fund any spend to save initiative that is brought forward.

3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:

- 3.1 The officer proposals are set out in Appendix 1 and any other proposals in Appendix 3. There is obviously choice as to whether these or other proposals should form part of the budget or not although, if not accepted, alternatives will have to be identified.
- 3.2 Members should note that officers continue to work with their Portfolio Holders and Cabinet to balance the budget for 2014/15.

4. REASONS FOR RECOMMENDATION:

- 4.1 The scrutiny of proposals for savings and capital bids ahead of the formal budget setting next February is an integral part of the Council's overall approach to financial planning.

5. CONSULTATION (including Overview and Scrutiny, if applicable)

- 5.1 Regular meetings of Directors' Board, the Leadership Group and the wider Council management group have been held since the budget exercise commenced in July.
- 5.2 Public consultation has been taking place since November as part of the Lets Talk campaign.

6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

- 6.1 The savings options and capital bids set out in the appendices will impact on a wide variety of policies, priorities, performance and sections of the community.

7. IMPLICATIONS

7.1 Financial

Implications verified by: **Sean Clark**
Telephone and email: **01375 652010**
sclark@thurrock.gov.uk

The financial implications have been clearly set out throughout the body of the report and the implications of savings options set out in the appendices.

7.2 Legal

Implications verified by: **David Lawson**

Telephone and email: **01375 652087**
dlawson@thurrock.gov.uk

Local authorities are under an explicit duty to ensure that their financial management is adequate and effective and that they have a sound system of internal control and management of financial risk. This budget report contributes to that requirement although specific legal advice may be required on the detailed implementation of any agreed savings options.

7.3 **Diversity and Equality**

Implications verified by: **Samson DeAlyn**
Telephone and email: **01375 652472**
sdealyn@thurrock.gov.uk

This is a set of wide ranging and far reaching proposals, a significant number of which may have an impact on staff and residents. Each of these savings proposals will need to undergo an Equality Impact Assessment to identify potential adverse impacts on any groups.

As these proposals are going through the formal approval and scrutiny process, they will need the Equality Impact Assessment evidence to be presented for each item.

The Equality Act has raised the bar in terms of public sector equality duties for example a proposed requirement to consider socio-economic impact before implementing any policy. Whilst this requirement is subject to implementation at a later stage the Council needs to ensure that appropriate consideration is given to all new equality requirements in the policy and decision making process.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):

- Various budget working papers held in Finance & Corporate Governance Directorate

APPENDICES TO THIS REPORT:

Appendix 1 – Officer Savings Proposals.

Appendix 2 – Capital Bids

Appendix 3 – Further Proposals Submitted From Other Members of the Council and the Public

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2013/14 – 2014/15 Budget - Savings Proposal

2013/14 – 2014/15 Budget - Savings Proposal

Service: Corporate Finance
 Proposal Number: CF 1

Description of Proposal Equal Pay Claims

Proposed Saving

Proposed Saving in 2013/14 £'000s	Proposed Saving in 2013/14 FTE Staff	Proposed Saving in 2014/15 £'000s	Proposed Saving in 2014/15 FTE Staff
200			

	2013/14 £'000s	2014/15 £'000s
People		
Property		-
Third Party		-
Infrastructure/Kit		-

Base Budget 2012/13

DA081	£'000s
Expenditure	
Employees	
Other Direct Running Costs (Premises, Transport and Supplies)	
Third Party Payments	200
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	200
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
Gross Income	0
Net Expenditure	200

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	There is no impact on the public or services from the removal of this budget. This is a residual budget to manage various claims that have now been settled.
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Impact of Proposal on performance	None.
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Impact of Proposal on staff	None.
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Practical requirements regarding implementation and timetable	None.
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Equalities Impact	None.
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2013/14 – 2014/15 Budget - Savings Proposal

Service: Corporate Finance
 Proposal Number: CF 2

Description of Proposal: Fraud Team

Proposed Saving

Proposed Saving in 2013/14 £'000s	Proposed Saving in 2013/14 FTE Staff	Proposed Saving in 2014/15 £'000s	Proposed Saving in 2014/15 FTE Staff
50			

	2013/14 £'000s	2014/15 £'000s
People		
Property	-	-
Third Party	-	-
Infrastructure/Kit	-	-

Base Budget 2012/13

PV160	£'000s
Expenditure	
Employees	317
Other Direct Running Costs (Premises, Transport and Supplies)	17
Third Party Payments	16
Transfer Payments	
Capital Financing Costs	
Support Services Costs	26
Gross Expenditure	376
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
Gross Income	0
Net Expenditure	376

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	There is no impact on the public or the service. Numbers in the section have been maintained and this saving simply reflects the transfer of staff onto fixed term contracts and not having to pay agency fees.
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Impact of Proposal on performance	None.
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Impact of Proposal on staff	All staff are now employed by the Council and not through an agency.
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Practical requirements regarding implementation and timetable	None.
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Equalities Impact	None.
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2013/14 – 2014/15 Budget - Savings Proposal

Service: Freedom of Information and GIS / LLPG

Proposal Number:

Description of Proposal: Freedom of Information and GIS / LLPG

Proposed Saving

Proposed Saving in 2013/14	Proposed Saving in 2013/14	Proposed Saving in 2014/15	Proposed Saving in 2014/15
£'000s	FTE Staff	£'000s	FTE Staff
54			

	2013/14 £'000s	2014/15 £'000s
People		
Property	-	-
Third Party	-	-
Infrastructure/Kit	-	-

Base Budget 2012/13

PR003	£'000s
Expenditure	
Employees	412
Other Direct Running Costs (Premises, Transport and Supplies)	86
Third Party Payments	
Transfer Payments	
Capital Financing Costs	250
Support Services Costs	63
Gross Expenditure	811
Income	
Sales, Fees and Charges	(45)
Grant and External Contributions	
Support Services Income	(714)
Gross Income	(759)
Net Expenditure	52

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	This is the deletion of two vacant posts. As a support service there will be no direct impact on the public or front line services.
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Impact of Proposal on performance	There are currently 12.42 FTE posts within the section and so this equates to a reduction of 16%. Management will mitigate the impact as far as possible but there could be an impact on performance.
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Impact of Proposal on staff	As these are vacant posts, the impact is more around the permanent reduction in staff against the steady workload.
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Practical requirements regarding implementation and timetable	None.
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Equalities Impact	Only the impact on the remaining staff.
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2013/14 – 2014/15 Budget - Savings Proposal

Service: Corporate Finance

Proposal Number: CF 3

Description of Proposal: Building Society Investments

Proposed Saving

Proposed Saving in 2013/14 £'000s	Proposed Saving in 2013/14 FTE Staff	Proposed Saving in 2014/15 £'000s	Proposed Saving in 2014/15 FTE Staff
120			

	2013/14 £'000s	2014/15 £'000s
People		
Property	-	-
Third Party	-	-
Infrastructure/Kit	-	-

Base Budget 2012/13

	£'000s
Expenditure	
Employees	
Other Direct Running Costs (Premises, Transport and Supplies)	
Third Party Payments	
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	
Income	
Sales, Fees and Charges	
Grant and External Contributions	(611)
Support Services Income	
Gross Income	(611)
Net Expenditure	(611)

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	There is no impact on the public or services. Historically, the Council has not invested with Building Societies and this proposal is that the Council does. The risk has been evaluated as minimal but this approach will achieve higher rates of investment returns.
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Impact of Proposal on performance	None
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Impact of Proposal on staff	None
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Practical requirements regarding implementation and timetable	The Council will need to consider this as part of the Treasury Management Strategy at its budget meeting on 27 February 2013.
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Equalities Impact	None.
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2013/14 – 2014/15 Budget - Savings Proposal

Service: Finance and Corporate Governance

Proposal Number: CF 4

Description of Proposal: Directorate Wide Restructure

Proposed Saving

Proposed Saving in 2013/14 £'000s	Proposed Saving in 2013/14 FTE Staff	Proposed Saving in 2014/15 £'000s	Proposed Saving in 2014/15 FTE Staff
100		153	

	2013/14 £'000s	2014/15 £'000s
People		
Property	-	-
Third Party	-	-
Infrastructure/Kit	-	-

Base Budget 2012/13

DA034, DA160, PR003, PR041	£'000s
Expenditure	
Employees	2,054
Other Direct Running Costs (Premises, Transport and Supplies)	279
Third Party Payments	615
Transfer Payments	
Capital Financing Costs	248
Support Services Costs	728
Gross Expenditure	3,924
Income	
Sales, Fees and Charges	(196)
Grant and External Contributions	(50)
Support Services Income	(2,958)
Gross Income	(3,204)
Net Expenditure	720

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	The Directorate Restructure will cover the areas of Corporate Finance, Assets, Freedom of Information and GIS / LLPG and Business Services. The savings target (£253k) equates to 4-6 posts, uncosted, depending on the outcome of consultation. Managers will mitigate the impact where possible but there could be a reduction in service and/or performance in these areas.
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Impact of Proposal on performance	As above, a reduction in staffing could lead to a reduction in performance. As these posts are all support services, the impact is likely to be on other areas of the Council and not on the public.
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Impact of Proposal on staff	The savings target equates to 4-6 posts. The reduction of these posts may come from vacancies but could also impact on posts that are currently filled and so lead to redundancies.
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Practical requirements regarding implementation and timetable	There is a requirement for formal consultation with those staff affected and the Unions. From the moment a restructure proposal is completed for consultation, it could take 6 months to implement.
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Equalities Impact	A full EIA will be completed as part of the consultation process. There are 47.08 FTE posts in the four areas identified with a similar number of staff.
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2013/14 – 2014/15 Budget - Savings Proposal

Service: Corporate Finance
 Proposal Number: CF 5

Description of Proposal: Insurance

Proposed Saving

Proposed Saving in 2013/14 £'000s	Proposed Saving in 2013/14 FTE Staff	Proposed Saving in 2014/15 £'000s	Proposed Saving in 2014/15 FTE Staff
		200	

	2013/14 £'000s	2014/15 £'000s
People		
Property	-	-
Third Party	-	-
Infrastructure/Kit	-	-

Base Budget 2012/13

DA061	£'000s
Expenditure	
Employees	
Other Direct Running Costs (Premises, Transport and Supplies)	
Third Party Payments	916
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	916
Income	
Sales, Fees and Charges	(484)
Grant and External Contributions	
Support Services Income	(432)
Gross Income	(916)
Net Expenditure	0

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	There is no impact on the public or services. The Council is taking a more proactive approach to the management of Insurance and Insurable risk that, coupled with the need to retender the provision for 2014/15, should result in a reduction in premiums. This is borne out through benchmarking that shows that the Council is paying a higher level of premiums than some near neighbours.
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Impact of Proposal on performance	None.
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Impact of Proposal on staff	None.
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Practical requirements regarding implementation and timetable	There needs to be a full tender process during 2013/14.
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Equalities Impact	None.
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2013/14 – 2014/15 Budget - Savings Proposal

Service: HR and Organisational Development

Proposal Number:

Description of Proposal
Reduction in Training Budget

Proposed Saving

Proposed Saving in 2013/14 £'000s	Proposed Saving in 2013/14 FTE Staff	Proposed Saving in 2014/15 £'000s	Proposed Saving in 2014/15 FTE Staff
£20	-	-	-

	2013/14 £'000s	2014/15 £'000s
People	-	-
Property	-	-
Third Party	£20	-
Infrastructure/Kit	-	-

Base Budget 2012/13

	£'000s
Expenditure	
Employees	304
Other Direct Running Costs (Premises, Transport and Supplies)	16
Third Party Payments	351
Transfer Payments	0
Capital Financing Costs	0
Support Services Costs	11
Gross Expenditure	682
Income	
Sales, Fees and Charges	
Grant and External Contributions	(33)
Support Services Income	(31)
Gross Income	64
Net Expenditure	638

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	No direct public/service impact.
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Impact of Proposal on performance	Reduction in training could have impact on performance, aiming to mitigate this by increased utilisation of e-learning.
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Impact of Proposal on staff	None
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Practical requirements regarding implementation and timetable	None
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Equalities Impact	None
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2013/14 – 2014/15 Budget - Savings Proposal

Service: HR and Organisational Development

Proposal Number:

Description of Proposal
Rationalisation of Admin support

Proposed Saving

Proposed Saving in 2013/14	Proposed Saving in 2013/14	Proposed Saving in 2014/15	Proposed Saving in 2014/15
£'000s	FTE Staff	£'000s	FTE Staff
£15	0.5	£30	1.0

	2013/14 £'000s	2014/15 £'000s
People	£15	£30
Property	-	-
Third Party	-	-
Infrastructure/Kit	-	-

Base Budget 2012/13

	£'000s
Expenditure	
Employees	304
Other Direct Running Costs (Premises, Transport and Supplies)	16
Third Party Payments	351
Transfer Payments	0
Capital Financing Costs	0
Support Services Costs	11
Gross Expenditure	682
Income	
Sales, Fees and Charges	
Grant and External Contributions	(33)
Support Services Income	(31)
Gross Income	64
Net Expenditure	638

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	No direct impact on public/service
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Impact of Proposal on performance	No impact on performance – efficiencies derived from Oracle Learning Manager/Performance Manager
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Impact of Proposal on staff	Reduction of 1.0 FTE, likely to be a temp
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Practical requirements regarding implementation and timetable	Implementation of part year savings in 2013/14 in line with implementation of Oracle. Manager self serve needed to implement.
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Equalities Impact	None
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2013/14 – 2014/15 Budget - Savings Proposal

Service: Business Services

Proposal Number:

Description of Proposal

PR045 2104 Clienting Budget – for the provision of specialist client resource in support of the SSP and associated outsourced contracts.

Proposed Saving

Proposed Saving in 2013/14 £'000s	Proposed Saving in 2013/14 FTE Staff	Proposed Saving in 2014/15 £'000s	Proposed Saving in 2014/15 FTE Staff
60.629	Zero	Zero	Zero

	2013/14 £'000s	2014/15 £'000s
People		
Property	-	-
Third Party	60.629	-
Infrastructure/Kit	-	-

Base Budget 2012/13

	£'000s
Expenditure	
Employees	
Other Direct Running Costs (Premises, Transport and Supplies)	
Third Party Payments	60.629
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
Gross Income	
Net Expenditure	60.629

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	The deletion of this budget will remove any opportunity to engage specialist support or initiate independent advisory projects to challenge SSP advice and guidance - this further weakens a clienting service already resourced at a level substantially below similar arrangements on other Councils - this will result in less rigorous challenge of SSP initiatives, with the potential to increase costs and reduce satisfactory outcomes..
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Impact of Proposal on performance	Delays to business solutions, Potential for simplistic and erroneous conclusions to complex and specialist areas of outsourced services.
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Impact of Proposal on staff	None Specific – however it may require staff to work on issues outside of their capability and capacity with the potential to create increased errors and service failures.
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Practical requirements regarding implementation and timetable	None Specific
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Equalities Impact	None Specific
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2013/14 – 2014/15 Budget - Savings Proposal

Service: Business Services

Proposal Number:

Description of Proposal
PA005 – Crown House – termination of rental and maintenance of the leased property.

Proposed Saving

Proposed Saving in 2013/14	Proposed Saving in 2013/14	Proposed Saving in 2014/15	Proposed Saving in 2014/15
£'000s	FTE Staff	£'000s	FTE Staff
48.033	Zero	Zero	Zero

	2013/14 £'000s	2014/15 £'000s
People		
Property	-	-
Third Party	48.033	-
Infrastructure/Kit	-	-

Base Budget 2012/13

	£'000s
Expenditure	
Employees	
Other Direct Running Costs (Premises, Transport and Supplies)	
Third Party Payments	66.006
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
Gross Income	
Net Expenditure	66.006

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	Staff based here have been gradually relocated to the Civic Offices and other owned Council premises as part of the asset rationalisation process, meaning that the Council was able to take advantage of a lease break opportunity in March 2012
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Impact of Proposal on performance	None Specific
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Impact of Proposal on staff	None Specific
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Practical requirements regarding implementation and timetable	None Specific – There may be some residual remedial costs associated with termination of the lease.
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Equalities Impact	None Specific
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2013/14 – 2014/15 Budget - Savings Proposal

Service: Business Services

Proposal Number:

Description of Proposal
PR041 0001 – Client Management Staffing Budget – Deletion of the PA post providing support to the Head of Service.

Proposed Saving

Proposed Saving in 2013/14 £'000s	Proposed Saving in 2013/14 FTE Staff	Proposed Saving in 2014/15 £'000s	Proposed Saving in 2014/15 FTE Staff
10.000	0.5 (Currently Vacant)	Zero	Zero

	2013/14 £'000s	2014/15 £'000s
People	10.000	
Property	-	-
Third Party	-	-
Infrastructure/Kit	-	-

Base Budget 2012/13

	£'000s
Expenditure	
Employees	247.464
Other Direct Running Costs (Premises, Transport and Supplies)	
Third Party Payments	
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
Gross Income	
Net Expenditure	247.464

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	This will be achieved by the deletion of the vacant PA post supporting the HOS - this will mean that the HOS will be engaged in more administrative and clerical work increasing inefficiency and reducing productivity.
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Impact of Proposal on performance	Reduced efficiency of the HOS – due to greater involvement in administrative activities.
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Impact of Proposal on staff	None Specific – Current post is Vacant
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Practical requirements regarding implementation and timetable	None Specific
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Equalities Impact	None Specific
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2013/14 – 2014/15 Budget - Savings Proposal

Service: Diversity

Proposal Number:

Description of Proposal:
Service reduction

Proposed Saving

Proposed Saving in 2013/14 £'000s	Proposed Saving in 2013/14 FTE Staff	Proposed Saving in 2014/15 £'000s	Proposed Saving in 2014/15 FTE Staff
20k		0	0

	2013/14 £'000s	2014/15 £'000s
People	20k	0
Property	0	-
Third Party	0	-
Infrastructure/Kit	0	-

Base Budget 2012/13

	£'000s
Expenditure	
Employees	95
Other Direct Running Costs (Premises, Transport and Supplies)	1,
Third Party Payments	20
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	116
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
Gross Income	
Net Expenditure	

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	The impact of this reduction will not have a significant impact on the delivery of public services. However team activity around service improvement including areas like disability access audits may be impacted. The intention is to manage this impact through revenue activity which will enable access to services and service improvement activity to continue.
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Impact of Proposal on performance	The impact on performance will involve reduced capacity which will be ameliorated by revenue activity which will create additional capacity.
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Impact of Proposal on staff	The reduction of budget will involve the deletion of a vacant post and savings within the base budget to enable the service achieve the proposed savings target.
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Practical requirements regarding implementation and timetable	The savings will be implemented from the financial year 2013/14 and will involve the removal of this income from the relevant budget. There are no issues regarding the implementation of this savings proposal.
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Equalities Impact	The savings proposal will have some impact on the ability of the team to support work to deliver the statutory duties in relation to equality and human rights but this will be offset by revenue activity to reduce the impact of this reduction in budget.
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2013/14 – 2014/15 Budget - Savings Proposal

Service: Chief Executive

Proposal Number:

Description of Proposal: Reduction in Consultancy Budget

Proposed Saving

Proposed Saving in 2013/14 £'000s	Proposed Saving in 2013/14 FTE Staff	Proposed Saving in 2014/15 £'000s	Proposed Saving in 2014/15 FTE Staff
52			

	2013/14 £'000s	2014/15 £'000s
People		
Property		-
Third Party	52	-
Infrastructure/Kit		-

Base Budget 2012/13

	£'000s
Expenditure	
Employees	393
Other Direct Running Costs (Premises, Transport and Supplies)	5
Third Party Payments	103
Transfer Payments	
Capital Financing Costs	
Support Services Costs	24
Gross Expenditure	524
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	(439)
Gross Income	(439)
Net Expenditure	85

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	None
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Impact of Proposal on performance	None
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Impact of Proposal on staff	None
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Practical requirements regarding implementation and timetable	None
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Equalities Impact	N/A
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2013/14 – 2014/15 Budget - Savings Proposal

Service: Transformation

Proposal Number:

Description of Proposal: Procurement Savings

Proposed Saving

Proposed Saving in 2013/14 £'000s	Proposed Saving in 2013/14 FTE Staff	Proposed Saving in 2014/15 £'000s	Proposed Saving in 2014/15 FTE Staff
750			

	2013/14 £'000s	2014/15 £'000s
People		
Property		-
Third Party		-
Infrastructure/Kit		-

Base Budget 2012/13

	£'000s
Expenditure	
Employees	
Other Direct Running Costs (Premises, Transport and Supplies)	
Third Party Payments	
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
Gross Income	
Net Expenditure	

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	None
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Impact of Proposal on performance	None
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Impact of Proposal on staff	None
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Practical requirements regarding implementation and timetable	The savings are subject to finalising an agreement with Serco. A plan is being developed to ensure that all the necessary action has been undertaken in time to commence activity and realise the savings.
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Equalities Impact	None
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2013/14 – 2014/15 Budget - Savings Proposal

Service: Whole Council

Proposal Number:

Description of Proposal
Shared Services

Proposed Saving

Proposed Saving in 2013/14	Proposed Saving in 2013/14	Proposed Saving in 2014/15	Proposed Saving in 2014/15
£'000s	FTE Staff	£'000s	FTE Staff
500		1,000	

	2013/14 £'000s	2014/15 £'000s
People	-	-
Property	-	-
Third Party	-	-
Infrastructure/Kit	-	-

Base Budget 2012/13

	£'000s
Expenditure	
Employees	
Other Direct Running Costs (Premises, Transport and Supplies)	
Third Party Payments	
Transfer Payments	
Capital Financing Costs	
Support Services Costs	
Gross Expenditure	
Income	
Sales, Fees and Charges	
Grant and External Contributions	
Support Services Income	
Gross Income	
Net Expenditure	

Recent Changes to Base Budget

	£'000s
Growth approved in the 2012/13 Base Budget	0
Savings approved in the 2012/13 Base Budget	0

Impact of Proposal on public / services	<p>The Council agreed in November to adopt an approach to Shared Services with any other authority where there is a realisable opportunity. Some work has already been carried out with LBB and Southend and these savings are targets to be achieved through this approach.</p> <p>Any proposal towards these targets will need to be considered not only in terms of financial savings but whether there is an impact on the public, services, performance and/or staff.</p>
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Impact of Proposal on performance	See above.
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Impact of Proposal on staff	See above.
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Practical requirements regarding implementation and timetable	See above.
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Equalities Impact	See above.
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Description	Funding				Comments
	2013/14	2014/15	2015/16	2016/17	
	£'000's	£'000's	£'000's	£'000's	
P0300-P0055 - Civic Offices 1 - Versatemp Units	12	12	-	-	Prior year agreed commitments
Carpet Renewal in Civic Offices 1 and 2. Civic Offices 2 carpets have not been replaced since construction (20+ years) and Civic Offices 1 carpets were replaced in 2000. Due to continuous office moves over the years and normal wear and tear the carpet has now come to the end of its lifecycle. The carpet is also obsolete therefore obtaining replacement tiles for badly affected areas are not possible.	360	-	-	-	Bid against £1m allocation - may be reduced if Space Optimisation project agreed.
Civic Offices 2 Lighting Replacement - T8 Tube upgrade to LED Tubes. The existing florescent light fittings in Civic Offices 2 are at the end of their life. Breakdowns are frequent, replacement costs high and they are not energy efficient. The replacement of the light fittings would be LED tubes, improving energy efficiency (an estimated energy saving of around £10,500 per annum) and would reduce current revenue maintenance costs.	113	-	-	-	Bid against £1m allocation - may be reduced if Space Optimisation project agreed.
To seal flooring, to reduce damage to vehicles and plant from the transfer of contaminated substances through the flooring slabs in the Civic Offices basement car park. The recent harsher winters has identified that the flooring of the basement car park reacts to the influx of road grit protection and as a result causes a porous substance to emanate from the flooring. This has caused damage to vehicles whilst parked in the car park and if not rectified there is a risk of plant being affected and the floor weakening. The flooring has not been improved since installation over 20 years ago. The estimated lifespan of the proposed product is 20 years without the need for re-application.	25	-	-	-	Agree out of £1m allocation.
Ceiling grid replacement - Civic Offices 1 - The ceiling grid is obsolete and spare tiles are unavailable. This results in areas not having appropriate ceiling tiles to cover plant and equipment. The grid could be replaced over a 3 year period based on priority.	52	-	-	-	Bid against £1m allocation - may be reduced if Space Optimisation project agreed.

Description	Funding				Comments
	2013/14 £'000's	2014/15 £'000's	2015/16 £'000's	2016/17 £'000's	
<p>Replace and upgrade CCTV equipment within the Civic Offices. The current CCTV system (internal and external) is obsolete. The system requires replacement and upgrading. Significant improvements have been made in recent years in terms of image quality and the current system no longer provides the required standards. New systems are also more energy efficient. The current system is prone to failure and parts are becoming increasingly difficult and time consuming to source and potentially costly. The system is essential to maintain a safe and secure building for occupants and visitors and to protect the Council's assets. It is essential to assist in the monitoring of potential conflict situations that occur within the Civic Offices in line with health and safety of employees, other occupants, members of the public and visitors. The CCTV system is referred to on occasions by the Police for surveillance and evidence.</p>	50	-	-	-	Bid against £1m allocation - may be reduced if Space Optimisation project agreed.
<p>Replace Fire Sprinkler System - basement car park Civic Offices. To comply with fire safety, the sprinkler system in the basement of the Civic Offices requires renewal (all levels). The present system is beyond its recommended life expectancy and has experienced 3 pipe bursts in 2012 which affects the pressure and questions the integrity of the system. The changeover from winter to summer (and vice versa) has also been more problematic than previous years. This is a revenue implication and a fire safety concern if the system was to fail during activation. The system is part of a weekly maintenance check regime to minimise this risk but this cannot guarantee the system will not fail at any time. Further pipe busts could cause damage to other plant etc. and equipment. The system therefore requires renewal. The system cannot be removed and not replaced as this would breach fire regulations and therefore cannot be considered.</p>	115	-	-	-	Agree out of £1m allocation.

Description	Funding				Comments
	2013/14 £'000's	2014/15 £'000's	2015/16 £'000's	2016/17 £'000's	
<p>-</p> <p>Space Optimisation of the Civic Offices. The Asset Management Plan and Transformation agenda integrates property, people and technology and highlights a requirement for a comprehensive redesign of the Civic Offices to enable space optimisation.</p> <p>A space utilisation survey undertaken earlier in the year indicated that the Civic Offices is outdated and significantly under utilised. Were it to be re-designed, with introduction of standard layouts and furniture and investment in additional facilities, occupancy levels could be increased by around 35%. Clearly however, to comply with workplace health and safety requirements, such an increase in utility would require additional core facilities; i.e. toilets and kitchen areas,</p> <p>The remodelling of the current Director's "Hub" area on the 4th floor (scheduled to be completed early February 2013) is a pathfinder for the space optimisation of the remainder of the building. The pathfinder will introduce new ways of working on a small scale, by removing cellular offices, improving the layout for open plan work areas to incorporate hot desk, break out areas and dedicated meeting spaces. The continuation of the redesign of the remaining floors is anticipated to commence in the next financial year and could be a 2 to 4 year programme.</p> <p>The introduction of new ICT and telephone systems will be an integral part of the space optimisation project (this is dealt with via separate capital bids and business case).</p> <p>Modern and flexible working is a significant change and investment in the working environment to include break out, quiet work and appropriate meeting areas is essential.</p> <p>A refreshed, technology enabled work environment is anticipated to enhance productivity, staff well-being and promote a positive image of the Council – as well as meeting its base expectation of improving resource efficiency. A detailed business case is being developed.</p> <p>This interim capital bid is presented in order to reserve appropriate capital funding to the nascent project. Costs are based on the redesign of 2 floors per annum and are estimates. The business case will inform more accurate cost implications. An initial feasibility report indicates moderate redesign cost</p>	2,000	2,000	2,000	2,000	Agree - include prudential funding in revenue base budgets.

Description	Funding				Comments
	2013/14 £'000's	2014/15 £'000's	2015/16 £'000's	2016/17 £'000's	
<p>between £5 and £7m, major redesign cost between £8 and £10m. This bid covers construction costs only. The scheme will support the community plan in enabling the Community Hub development and asset management disposal programme.</p> <p>A centralised approach to space management and the implementation of new ways of working is essential to make effective use of the office space and the introduction of flexible modern working practices in adopting “shared space” rather than “individual space”.</p>					
<p>Demolition of former operational buildings on surplus land. Main priority is health and safety, through making derelict sites safer and reducing the risk of injury at the time of vandalism/trespass/theft. Work will also significantly improve the value of Council sites for disposal and reduce revenue expenditure on security and repairs.</p>	547				Agree
<p>Thameside Complex - Installation of door access system to retracted areas to improve the safety and security of occupants and Council and tenants assets. The complex currently has a very old, obsolete and temperamental key pad system. Key codes are easily compromised and changes to code numbers are becoming increasingly difficult with a high risk of failure to the system. This compromises the security of assets and safety of staff/occupants. The</p>	35	-	-	-	Bid against £1m allocation.

Description	Funding				Comments
	2013/14 £'000's	2014/15 £'000's	2015/16 £'000's	2016/17 £'000's	
-					
occupancy level at Thameside has increased and the Young Peoples service is now located on one floor.					
P0300-P0034 - Thameside - Upgrade Fire resisitant wall finishes	10	-	-	-	Prior year agreed commitments