

REPORT NUMBER WSC 143/10

PRESENTED BY COUNCILLOR T TAYLOR, LEADER OF COUNCIL

DATE 1 DECEMBER 2010

REVENUE BUDGET SAVINGS 2011/12

1. PURPOSE OF REPORT

- 1.1. The purpose of the report is for Cabinet to receive an update on the savings proposals for 2011/12.

2. RECOMMENDATIONS

- 2.1. It is recommended that Cabinet approve the draft savings list as detailed in **Appendix A** for consultation and that subsequent feedback is included in their Budget 2011/12 report that will be considered on 2nd February 2011.

3. RISK ASSESSMENT

Risk Matrix

Description	Likelihood	Impact	Overall
Council does not receive adequate legal advice <i>Report identifies a provision of service at reduced cost</i>	Unlikely (1)	Major (3)	Medium (3)

The scoring of the risks identified in the table has been based on the scoring matrix below.

Risk Scoring Matrix

Likelihood (Probability)	4	Almost Certain	Medium (4)	High (8)	High (12)	High (16)
	3	Likely	Medium (3)	Medium (6)	High (9)	High (12)
	2	Possible	Low (2)	Medium (4)	Medium (6)	High (8)
	1	Unlikely	Low (1)	Low (2)	Medium (3)	Medium (4)
			1	2	3	4
			Minor	Moderate	Major	Catastrophic
Impact (Consequences)						

- Low risks do not require inclusion on a Risk Register.
- Risks that could adversely impact upon the achievement of two or more of the Council's priorities and that score 'medium' or 'high' on the risk scoring matrix should be classified as Corporate Strategic Risks, and entered on the register.
- Service-specific risks that score 'medium' or 'high' must be included in the service group risk register, which should be incorporated in the relevant service plan.

4. BACKGROUND INFORMATION

4.1 Corporate Management Team identified a range of possible budget savings totalling £579,000 (known as the 'long list') that was considered informally by Cabinet during October and November. From this list, Cabinet informally identified a 'short list' totalling £398,000.

4.2 Cabinet agreed at their meeting on 3rd November 2010 to work towards a minimum savings target of £350,000 for 2011/12, subject to the results of the Formula Grant redistribution, expected in early December.

4.3 The Medium-Term Financial Plan agreed by Council at their meeting on 17th November 2010 identifies, based on current assumptions, a minimum savings target of £258,880. There will be some degree of risk in the delivery of identified savings, plus some risk posed by the formula grant redistribution, hence the initially increased target agreed by Cabinet and referred to in paragraph 4.2 above.

4.4 A Seminar to which all Members were invited (24 attended) was held on 15th November 2010 to further appraise the 'long list' of savings, in order to inform the Cabinet's decisions in its prioritised savings list for 2011/12. The results of that exercise have been circulated to all Members.

4.5 Corporate Management Team undertook an independent exercise whereby they scored each initiative against a number of criteria:

- Impact upon corporate priorities
- Extent that the impact would be district wide
- Impact from an equalities perspective
- Risk of non-delivery
- Risk to reputation
- Materiality

4.6 Having considered the results of these two exercises, Cabinet have established a final draft list of potential savings totalling £414,000, see **Appendix A**. It is worth noting that there were only two items that Cabinet had previously informally prioritised that the Member's Seminar did not. These were savings in the cost of discretionary Business Rate Relief and the contribution to the Parish Lengthsman Scheme. Conversely, there were eleven items identified at the Seminar as a priority that Cabinet did not.

4.7. It should be emphasised that the items of savings referred to in **Appendix A** are in draft and are, as such, proposals that will be the subject of consultation, details of which are given in paragraph 9 below. Cabinet will consider feedback from this consultation exercise, together with comments from Scrutiny Committee, when they meet on 2nd February 2011 to recommend their budget to Council who meet on 23rd February 2011.

5. FINANCIAL/RESOURCE IMPLICATIONS

These are contained within the body of the report.

6. SECTION 151 OFFICER COMMENTS

- 6.1. There is some degree of risk to the deliverability of the savings, and this is identified in the additional 18% (£63,000) of savings that are proposed in excess of the £350,000 agreed by Cabinet in November.
- 6.2. Further, at the time of preparing this report, we are unaware of the revised formula grant distribution, which could significantly weaken the Council's financial position and put pressure on the revenue budget in 2011/12. Additional savings may be necessary.
- 6.3. If the grant settlement is more favourable, it is proposed to go ahead with these savings in 2011/12 on the basis that there will be further cuts in government funding in 2012/13 and beyond.

7. EQUALITY & DIVERSITY IMPLICATIONS

- 7.1. Some of the savings identified have equalities implications. It is proposed to undertake impact assessments of those particular services in time to feedback the results to Scrutiny Committee in its consideration of the draft budget for 2011/12. This will be in January 2011.

8. CRIME AND DISORDER IMPLICATIONS

None in respect of this report.

9. CONSULTATION IMPLICATIONS

- 9.1. All Parish/Town Councils have been written to providing details of any savings that could have an impact in their respective parish explaining that these are, at this stage, only proposals and will not be considered for ratification until February next year. In addition, Ward Members will receive a copy of any correspondence that is relevant to their Ward.
- 9.2. Any external organisation that could be impacted as a result of the proposals has also been contacted.
- 9.3. Responses from all sources have been requested by 14th January 2011.

10. ASSET MANAGEMENT IMPLICATIONS

None in respect of this report.

11. ENVIRONMENTAL IMPACT IMPLICATIONS

None in respect of this report.

12. LEGAL IMPLICATIONS

None in respect of this report.

REPORT TO THE CABINET MEETING TO BE HELD ON 1 DECEMBER 2010

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APPENDIX 'A'

Description	Proposed Saving 2011/12
Legal Fees	5,500
District Audit Fees	10,000
Human Resources	4,500
Internal Audit	17,000
Internal Reviews of Service Provision	107,654
Harbour fees at Minehead	2,500
Revenue costs from sale of old IT building	2,077
Efficiencies from operations in West Somerset House	25,000
Rental from letting part of depot at Brunel Way, Minehead	2,500
Implement charges for on-street parking at Blue Anchor plus off street charging at Crowcombe and Kilve	8,000
Regain operational responsibility for the Dulverton Car Parks	18,000
Increase agency rates with SCC for grass cutting	4,000
Increase car parking fees	60,000
Contribution to Warden on Quantocks	4,975
Contribution to parish lengthsman scheme	1,000
Public Conveniences - partial winter closure of three sites	2,000
Revise the NDR Discretionary Rate Relief Scheme	28,000
Staff reduction in working hours	7,440
Implementation of electoral review from May 2011	8,548
Chairman's Civic Allowance	1,000
Corporate Services - Staff Overheads	6,000
Recharging Parish / Town Councils with proportion of the cost of contested quadrennial elections	15,000
Cease all support to the LSP	2,000
Advice received on Section 106 agreements	7,500
Community Safety Grant Expenses	1,250
Food Safety Publications	5,600
Alternative arrangement for Internal Health & Safety provision	2,000
Multi Agency Assessment Panel	2,000
Removal fees in the Housing Service	2,000
Housing & Community Services - staff overheads	1,250
Moped Scheme	2,500
Staff training	5,000
Review of Senior Management	27,500
Exmoor National Park public conveniences alternative cleaning arrangements	5,000
Contribution to Artlife	7,500
Cost of Broadband provision	2,500
	<u>414,294</u>