

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Special Council: 14 October 2010

Subject : General Services Revenue Estimates – Mid Year Spending Review

1. Purpose

- 1.1** The purpose of this report is to provide Council with list of savings and efficiency options that have been identified by the corporate management team and to seek council approval to implement a programme of savings during the current financial year to counteract the impact of the recent public sector funding cuts announced by the UK Government.

2. Background

- 2.1** The financial strategy 2011/19 presented the Strategic Finance Working Group at the end of April had indicated a budget gap of £13.632m for 2011/12. Since then, the UK government announced a reduction in spending of £6.1bn in the current year. The Scottish Allocation amounted to £332m and West Dunbartonshire's share of this total is forecast to be around £2.1m. The Scottish government agreed to defer any reduction into 2011/12
- 2.2** During the budget roadshows, the estimated gap was in the region of £18m. However the CMT revised the assumptions contained in the Financial Strategy. It should be noted however that, as the Council's financial settlement will not be known until late November, this forecast gap is, until that time, still subject to potential significant change.
- 2.3** As a consequence of the above position, the CMT have prepared a list of savings options which it is recommended could be considered outwith the normal budget round and which if implemented may in some cases also generate an additional saving in the current financial year 2010/11.
- 2.4** The normal budget meeting will still be held on 27 January 2011 to set the General Services Revenue Budget for 2011/12 in the light of the updated financial position and also to consider any further savings and efficiency options that may be identified before that date.

3. Main Issues

- 3.1** A savings package is appended to this report which, if approved in full, would generate savings in the full year 2011/12 of £7.122m
- 3.2** The package includes a number of options for which an early indication is sought primarily to enable sufficient time for any required consultation processes to commence and also for all operational lead-in time to occur, thus ensuring that the full level of potential saving identified within the package can be realised in 2011/12.
- 3.3** In addition, the package also identifies a number of options which if implemented immediately would generate an additional £0.766m of savings in the current year 2010/11.
- 3.4** Members are encouraged to liaise with Chief Executive and Executive Directors to discuss these and any other budget options that may emerge before the meeting on 14 October.
- 3.5** Members are also asked to note that departmental budgets, which are currently being reviewed, have been prepared on a standstill basis which continues the current spending & turnover restrictions, has no inflationary uplift, and assumes a 2.5% increase to sales fees & charges from 1 April 2011. A draft estimate book will be finalised and issued to all members by early December.
- 3.6** Members are also asked to note the results from both the staff and the public budget consultation meetings. Full detail of the feedback from this process is provided in appendices 2,3 & 4 to this report.

4. People Issues

- 4.1** The potential staffing implications are shown in column (7) of the package and will be subject to a full consultation process where appropriate.

5. Financial Implications

- 5.1** The Council is facing a significant budget gap for 2011/12 . Approval of the full package of options appended to this report would reduce that sum by £7.122m. In addition a further £0.766m of savings would be generated in the current year 2010/11.

6. Risk Analysis

- 6.1** The Council, in setting this budget, is required to give due regard to the significant financial pressures facing the Council in the medium term. Early approval of savings option identified in the package would help to ensure that the full level of savings can be generated in 2011/12.

7. Equality Impact Assessment

- 7.1** An equality impact assessment of each option within the package has been carried out within the relevant department.

8. Officers' conclusions and recommendations

- 8.1** The Council is currently estimated to be facing a budget gap in 2011/12 and early approval of savings options is sought to enable a balanced budget to be delivered.
- 8.2** The CMT have prepared a savings option package of £7.122m for members' consideration to assist in this process.
- 8.3** A further budget meeting will be held on 27 January 2011 to set the budget for 2011/12.
- 8.4** Following consideration of budget information provided, Council is recommended to:
- Approve which savings options from the attached list can be implemented with immediate effect.
 - Identify which options can be approved in principle to allow the appropriate consultation process to commence.

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Joyce White
Executive Director of Corporate Services
Date: 30 September 2010

Person to Contact: David Connell, Head of Finance & ICT
Council Offices, Garshake Road, Dumbarton
Tel: (01389) 737191. E-mail david.connell@west-dunbarton.gov.uk

Appendices: (a) Summary of savings/efficiency options 2011/12
(b) feedback from the staff consultation meetings
(c) feedback from the public consultation meetings

Background Papers: None

Wards Affected: All