

BUDGET CUT ASSESSMENT FORM

Budget Cut Assessment Form	SUPPORT SERVICES	Ref No H7	Responsible AD	Responsible Finance Manager	Responsible HR Manager	Responsible Lawyer	Responsible EIA Officer
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Description of Proposal:

With the reduction in operational services across the council there will need to be a proportionate reduction in the services that support the operations. This form covers

- Finance
- HRM
- Legal
- Customer Services
- PA & Business Support
- Occupational Health
- Health and Safety
- Procurement
- Xentrall transactional services
- Xentrall ICT.

Although this is an unknown quantity at this point in time, it is estimated that there is £360k for variable and specific overheads in these areas which would need to be removed. Whilst there are indicative figures on the amounts per service area it is more prudent to look at these services as a collective and decide how it is best to remove the costs when the reduction in operational services is known. The majority savings from these areas will follow the stage two decision and will be subject to review following the council decision in the summer as these services will be needed to support operations through their reduction. If however there are efficiencies identified in the interim they will be taken prior to this.

The costs of the services have been analysed between fixed, specific and variable costs to assist in this exercise and it is only the specific and variable overhead cost which can be removed. Notwithstanding this there is still a considerable challenge to removing these costs particularly as all the support services already benchmark well and due to the size of the authority the teams are small. Any loss in numbers creates a pressure in terms of capacity and the ability to cover holidays/ sickness absence/training etc. Another risk is the loss of skills and the knowledge that has been built up in current employees.

Human Resources Impacts		Asset Management Impacts N/A	Decommissioning Costs N/A	Cost Shunting
No. of posts to be deleted	Not known at this point in time.	Detail any released buildings/building space Identify disposal or requisition issues There will be some release of office space but this cannot be determined until the review in 2016/17 is completed.	In addition to HR and Asset costs identify any others e.g. early contract termination costs Additional costs associated with computer equipment / printer, email account, printing etc. could be saved and these are built into the potential savings figure.	Is there any known or potential to increase costs elsewhere within Council budgets Without the staff there will undoubtedly be an increase in the workload of staff remaining, however as these costs have been identified as variable and specific this should be kept to a minimum. The main issue is the responsiveness and skills loss.
No. of potential redundancies	Not known at this point in time.0			
Estimated Redundancy costs	Not known at this point in time.			

	Financial Summary				
	2016/17	2017/18	2018/19	2019/20	2020/21
Estimated reduction to budget	150,092	279,726	315,623	338,134	338,134
Redundancy Costs	350,000				0
Asset Implication					0
Decommissioning Costs					0
Known Cost Shunting					0
Overheads					
NET Budget Reduction	(199,908)	279,726	315,623	338,134	338,134

Equality Impact Assessment

Officers have considered the proposal's relevance to Darlington Borough Council's Public Sector Equality Duty. Councillors should note that an initial equalities impact assessment screening was conducted and determined that this proposal has no or negligible impacts on protected characteristics and therefore a full EIA was not undertaken.