
MEDIUM TERM FINANCIAL PLAN
BUDGET SAVINGS PROPOSALS

Responsible Cabinet Member - Councillor Stephen Harker
Efficiency and Resources Portfolio

Responsible Director - Chief Officers Executive

SUMMARY REPORT

Purpose of the Report

1. To identify where budget savings can be made in HOW the Council operates as highlighted in the report to Council on 28 February 2013.

Summary

2. The report presents savings proposals totalling £3.337m by making significant changes in HOW the Council operates. The majority of the savings would not be recommended in normal circumstances but given the Council's financial challenge, they are being recommended to Members to help protect front line services.

Recommendation

3. Cabinet are required to :-
 - (a) Approve the budget savings proposals are summarised and detailed in **Appendix 1**.
 - (b) Refer the implications of the restructure as they impact on Chief Officers to Council for approval as set out in paragraph 7.

Reasons

4. The recommendations are supported by the following reasons :-
 - (a) To enable savings to be delivered.
 - (b) Chief Officer terms and conditions are the responsibility of Council.

Chief Officers Executive

Background Papers

No Background papers were used in the preparation of this report

Paul Wildsmith : Extension 2301
TAB

S17 Crime and Disorder	None of the proposals have a direct impact on Crime and Disorder
Health and Well Being	None of the proposals have a direct impact on Health and Well Being
Carbon Impact	None of the proposals have a direct impact on Carbon Impact
Diversity	None of the proposals have a direct impact in respect of diversity.
Wards Affected	None of the proposals directly affect any wards
Groups Affected	None of the proposals directly affect any groups
Budget and Policy Framework	No change as a result of the report.
Key Decision	The proposals contained within this report represent a key decision
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	None of the proposals have a direct impact on One Darlington: Perfectly Placed
Efficiency	The proposals reduce the running costs of HOW the Council works

MAIN REPORT

Information and Analysis

5. As part of the recently approved MTFP the Chief Officers Executive (COE) indicated it would bring forward savings proposals of £3m p.a. by changing HOW the Council operates, this report presents the proposals.
6. The proposals contained in this report represent significant further reductions in the capacity to manage the Council's business and in presenting these proposals COE are clear that in normal circumstances they would not be recommending the majority of proposals but given the size of the Council's financial challenge and the need to deliver immediate financial savings and the desire to protect front line services they have to be recommended to Members. Attached at Appendix 1 is a summary of the proposed savings together with supporting detail for each proposal identifying what is being changed and the associated impact/risks of the proposal. A summary of the key impact of the proposals is set out below :-

- (a) Significant reduction in the management and employee capacity to plan, manage transformation and budget savings, engage consult and deal with management and Member requests.
- (b) Reduced monitoring and control of Financial and HR issues.
- (c) Reduced ICT support
- (d) Reduced management and administrative support across a range of services.
- (e) Amended working patterns and approaches within services.
- (f) Increase trading income and other charges.
- (g) Reduce maintenance, commissioning and enforcement budgets.

Employee Implications

- 7. A number of the proposals have employee implications and consultation has taken place with Trades Unions and employees in line with the Council's procedures for such changes. The latest information on the employee impact of the proposals are in total 71 posts have been deleted leading to a potential 53 redundancies of which 8 are voluntary. The Council's redeployment policy will continue to be utilised during employee notice periods so it may be possible to reduce the number of compulsory redundancies if redeployment opportunities arise.
- 8. Proposal No. 28 includes the amalgamation of the post of Assistant Director Finance with the post of Head of Human Resources (previously a shared post with Hartlepool) to create a new post of Assistant Director Finance and Human Resources. The amalgamation of these roles reduces costs by a further £50,000 in addition to savings already made via the shared post. The roles and responsibilities of Chief Officer posts are the responsibility of Council therefore if Cabinet accept this proposal the Chief Officer implications must be referred to Council for approval.

Financial Implications

- 9. The proposals contained in the report will deliver £2.252m in 2013/14 and £3.337m following full implementation, this level of savings slightly higher than what was included in the MTFP recently agreed by Council.