

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

14 October 2009

Report of the Management Team

Part 1- Public

Executive Non Key Decisions

1 CORPORATE BUDGET SAVINGS

This report brings forward further proposals to address the budget funding gap of £600,000 identified during the 2009/10 budget cycle.

1.1 Introduction

- 1.1.1 When Members set the Budget in February this year, the Medium Term Financial Strategy showed that, despite having made base budget savings of around £700,000 during the last budget cycle, there was still a funding gap of circa **£600,000** per annum that we needed to bridge. As a result, Members committed themselves to identifying and implementing the required level of saving (£600,000) by April 2010.
- 1.1.2 On 7 September 2009, Members of the General Purposes Committee considered a report in the private section of the agenda which set out significant proposals to reduce our staffing establishment. In total the proposals, which were subsequently agreed by the Committee, will lead to annual base budget savings of £443,884 within the Corporate Budget, and £36,307 (net of lost income) in the Leisure Services Business Unit.
- 1.1.3 In bringing this report forward, we considered the need to ensure the continuity of key Services, and maintain where possible the standards and levels of service the public has come to expect. Members of the General Purposes Committee were advised that whilst we are, in the main, satisfied that services can be maintained at standards and levels the public will find acceptable, it is important that Members recognise that in delivering the significant level of savings we propose, there is an inevitability that services cannot always be delivered to the same timescales and levels as has previously been the case.
- 1.1.4 Members will calculate that, even with the savings approved by the General Purposes Committee, there is still a “gap” to fill if we are to meet the target of £600,000. This report, therefore, sets out for Members further proposals we have to meet this gap.

1.2 Savings Proposals Identified to Date

1.2.1 **The Director of Health & Housing** makes the following proposals to deliver greater efficiencies within his Service:

1) **Weekend Freight or Household Bulky Waste Collection Service**

The Kent County Council has agreed an annual contribution of **£20,000** towards the costs of providing this service. The payment will continue until alternative Household Waste and Recycling site provision has been made within the borough.

2) **Amenity Cleansing**

The Council's contractor has been working with us to identify more efficient ways of undertaking and scheduling street cleansing work. New work methods have been adopted which will see the standard of street cleansing maintained whilst achieving **£32,000** of savings.

The annual budget for programme of litter abatement initiatives can be reduced by **£5,000** due to recent successes in securing alternative funding raised through sponsorship.

New arrangements have been introduced for the removal of graffiti from street scene utility equipment, including recharging for such works. This, together with changed and less costly contractor arrangements for removing some graffiti has enabled a saving of **£4,000** to be achieved.

3) **Drainage**

Through the introduction of new legislation transferring private sewers and lateral drains to the water and sewerage companies, it was anticipated that a saving against the annual drainage budget of **£4,000** could be achieved in 2010/11. The consultation process has not progressed as quickly as was originally indicated and we are now advised that the transfer will not take place until 2011, at which point the saving will be realised. **In the meantime**, the Service will be taking the opportunity to achieve savings against this budget by re-charging contractors' costs for works to clear blocked lateral drains or private sewers, achieving a saving of £2,000 next year. It will be prudent to retain a nominal fund to deal with more complex cases which have a pressing public health impact.

4) **Departmental Overheads**

An internal review has identified that **£2,000** may be saved by cancelling subscriptions to publications and reference books because alternative information sources are now available.

- 1.2.2 **The Director of Planning, Transport and Leisure** had identified that there is potential to reschedule the cleansing regime in some of the Council's car parks in order to achieve efficiencies of **£17,800** per annum. This has been achieved through a critical reassessment of the level of service in each of the car parks, recognising that the regularity of treatment required varies from site to site, without materially affecting the general standard of overall cleanliness.
- 1.2.3 The **Director of Finance** has put forward an efficiency saving following the introduction of the consolidated council tax leaflet in March this year. Members will be aware, that for the first time, the statutory leaflet which accompanies the bills took the form of a combined booklet incorporating all the information from the major precepting authorities. Not only was the booklet a step forward in terms of a consolidated approach for the council taxpayer, but it also proved to be more cost effective. The printing costs borne by TMBC were reduced, but as a result of only having one document to handle at billing stage, the costs associated with the enveloping of bills also reduced. Accordingly, an ongoing efficiency saving of **£3,000** can be reflected in the Estimates.
- 1.2.4 The **Central Services Director** has reviewed the use of legal publications with the Acting Chief Solicitor and found that there is the opportunity to make efficiency savings through a different means. Accordingly, a saving of **£5,000** will be reflected in the Estimates on an ongoing basis.
- 1.2.5 Members will note that the savings identified above total some £92,800 and this is still short (by some £27,000) of the overall target. We continue to look for further savings, and, as advised at General Purposes Committee, are in the process of conducting reviews in other service areas at the time of writing this report. We are confident that we will be able to bring forward the "balance" of the savings required within this tranche before the end of the financial year.
- 1.2.6 It is worth adding, of course, that the financial outlook for the public sector is not good and the report on the Medium Term Financial Strategy presented to the Finance & Property Advisory Board on 30 September speculated that a further tranche of savings in the order of £700,000 to £800,000 will be needed. That is for another day, but it is clear that our financial challenges have really only just started.

1.3 Legal Implications

- 1.3.1 The Council has a duty to ensure that it sets a legal workable budget. Savings are required in order to ensure that this is possible over the course of the medium term.

1.4 Financial and Value for Money Considerations

- 1.4.1 The Council strives to achieve 'best value' and the most cost effective solutions in the delivery of its services.

1.4.2 The 'grand total' of these savings and those approved by the General Purposes Committee in September leaves us marginally short of the target. However, as mentioned elsewhere within this report further reviews are taking place which should close the 'gap' before the end of this financial year .

1.5 Risk Assessment

1.5.1 The Council's financial situation is precarious and Members have acknowledged the need to find savings of circa £600,000 at this stage. If these proposals are not implemented, then an alternative package of savings will need to be brought forward as a matter of some urgency. As mentioned at paragraph 1.2.6, the outlook is not good for public finances generally and the prospect of one or more tranches of savings is very likely indeed

1.6 Policy Considerations

1.6.1 Customer Contact

1.6.2 Business Continuity/Resilience

1.7 Recommendations

1.7.1 Members are **RECOMMENDED** to:

- 1) approve the proposed savings set out in paragraph 1.2; and
- 2) instruct the Management Team to incorporate these savings into draft estimates for 2010/11 onwards.

Background papers:

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Nil

David Hughes
Chief Executive

For Management Team

Sharon Shelton
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