

ESTIMATED EFFICIENCY SAVINGS - 2009/10 BUDGET

Area of saving / additional income	Service Implications	Risk Assessment	Amount £
Housing Benefit / Housing Benefit Admin / Council Tax Benefit	Reduction in net costs of benefits payable / subsidy received. No significant impact on benefits service, assuming reserve remains available, due to the volatile nature of the service.	Subsidy levels may reduce due to a reduction in performance by the benefit service (financial incentives are linked to high performance). The government may change the current subsidy funding scheme.	64,300
Human Resources - review of administrative support	Can achieve this saving through efficiency gains in administration e.g. use of e-HR /LMS system, streamlined processes, reducing duplication of effort, creation of an integrated administrative team within HR, and use of an apprentice.	Unpredicted high volume administration e.g. recruitment. Likelihood is low, but if so would cover short term through request for help from other teams or agency (within budget).	7,500
Financial Services - management restructure	Reduction in dedicated systems administration may force additional pressures at certain times throughout the year e.g. implementing the reduction in VAT rate change although the restructure has created more resources for strategic financial planning.	Additional resources may be required on an ad-hoc basis to implement significant changes to financial systems.	20,000
Legal Services - Elections	None - arises from the implementation of new working practices to conduct the canvass.	In the very unlikely event canvass not able to be completed, would bring in temporary staff funded from within budget.	5,500
Review of CAST operational budgets post merger of Front Line Services and ICT	None - arises from a restructuring within the revenues section following various staff changes and introduction of more efficient working practices.	Although at present has no service implications, reduces capacity to a minimum.	11,800
Insurance premiums	The decision to self insure by taking on greater excesses has been a success. The strategy at the time was to use part of the saving to top-up the insurance reserve to provide a pool for paying claims that were below the excess. As a result of good risk management and internal reporting mechanisms, the Council is able to defend claims, which has resulted in a significant reduction in its premiums.	The Chief Finance Officer is of the opinion that the funds held in the insurance reserve are now sufficient and are in line with the reserve policy set by Council.	69,900
Total Corporate Services			179,000

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Cemetery and Crematorium fees - above inflation increases as detailed in Appendix I	An average 2.9% increase above inflation, targeted at service areas where current charges are judged to be below market rate.	Unlikely to see reduction in demand as these categories of fees are still lower than the closest neighbouring authority	38,000
Planning pre-application fees	This is a new income stream that is dependent on customers deciding to pay for advice that was previously free of charge, in the expectation that any subsequent planning application would be better presented.	The risk of not achieving this level of fee income is considered low. There is potentially an increased liability risk to the authority that will need to be mitigated by new procedures and a staffing resource implication that could be offset by some clients choosing not to take up advice.	30,000
Refuse Collection - Trade Waste - pass on additional costs to customer through a fee increase	Additional Landfill Tax which will be passed on to customers through above-inflation fee increases.	In passing on increased costs to customers may reduce customer base	40,000
VAT reduction to 15 per cent from the start of December 2008 to the end of December 2009.	Where the VAT element of Council charges is clearly identified in the published fees and charges, the VAT charge has been reduced with effect from 1st December 2008. However, it would cause a huge amount of extra work to identify the VAT element in all council charges, change them for a 13-month period, altering systems and processes, and then change them back. Cabinet believes that the Council is under an obligation to pass on the VAT saving to the people of Cheltenham. They have therefore identified the amount of £95,000 which the Council will save on VAT during the period of the tax reduction and propose to use it to reduce the council tax increase in 2009/10 to 3% and set aside £50,000 for Community Pride.	The £95,000 identified has been derived from the previous financial years activity. If fees and charges were subject to further significant decreases in 2009/10 as a result of the current economic downturn, the amount available would be reduced.	95,000

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Increased net rental income	Marginal service impact - additional management as a result of three new lettings.	New funding stream from the completion of three commercial units on the Fellmongers site. Two are currently occupied, with one letting pending. Low risk.	50,000
Asset appropriations between the Housing Revenue Account and General Fund	Marginal service impact - three new lettings in management within the general fund.	The groundwork for this initiative has already been completed and the risk of this not achieving additional income is low, although is subject to an income risk that individual business tenancies might fail or vacancy rates may be higher, particularly during the economic downturn.	35,000
Operations - Merged Division overhead account	Savings resulting from the Supplies and Services budgets of the combined Green Environment and Environmental Maintenance Divisions.	None	25,000
Operations - Merged Division general budget codes	Savings resulting from the wages budgets of the combined Green Environment and Environmental Maintenance Divisions.	None	20,000
Operations - Nursery Service	Savings generated through a variety a cost reduction measures. The supply of plants to CBC and external customers will be unaffected.	A detailed review of operations is underway to identify and reduce residual risks	10,000
Operations - Cemetery & Crematorium	THIS IS ADDITIONAL INCOME - Increased choice in memorial generating a small increase in income	None	5,000
Planning post (keep vacancy open)	Planning officers will be picking up planning appeals work in addition to their normal planning caseload. This is likely to be offset in the short term by a downturn in planning applications due to current economic conditions.	Holding this vacant post is linked to a projected reduction in applications and associated fee income within development control. If application activity increases, there is a risk that planning performance in processing applications could reduce prior to recruitment.	41,900
Building Control post (keep vacancy open)	None.	Holding this post vacant is linked to a projected reduction in applications and associated fee income within building control. If application activity increases, there is a risk that performance in processing building control applications could reduce prior to recruitment.	38,200
Total Environment			428,100

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Wellbeing & Culture - additional event income at Town Hall and Pittville Pump Room	None - increased level of income already achieved	The current economic climate may result in a reduction in ticket sales for events and affect the ability to maintain current income levels.	20,000
Wellbeing & Culture - additional event income at Town Hall and Pittville Pump Room	None - increased level of income already achieved	The current economic climate may result in a reduction in ticket sales for events and affect the ability to maintain current income levels.	5,000
Community Services - management restructure	This restructure could result in reduced capacity within Community Enforcement services, but has enabled salaries for two fixed term part-time Community Protection Officer posts to be funded from base budgets in addition to the saving quoted.	There may be HR staffing and employee cost implications involved, depending on the result of the restructure, currently subject to consultation.	18,700
Wellbeing & Culture - management restructure	Efficiency savings as a result of the creation of the new Wellbeing and Culture division.	No implications on front line service. There may be HR staffing and employee cost implications, depending on the result of the restructure.	30,000
Wellbeing & Culture - review of divisional support	Efficiency savings as a result of the creation of the new Wellbeing and Culture division.	No implications on front line service. There may be HR staffing and employee cost implications, depending on the result of the review.	15,000
Senior Management restructure (net saving)	Capacity and resilience at Strategic Director level. Council will need to appoint a new Returning Officer and Electoral Registration Officer.	Full risk assessment carried out. Key risks appear to be capacity, silo working - mitigated by succession management and revised communication between Board and Assistant Director's, plus extended Board membership. Report to S&SSC in February 2009 will set out options for the role of Returning Officer.	138,000
Housing enabling	Reduced budget to secure external advice in complex negotiations to secure affordable housing contributions from private developers through the planning system.	Less flexibility at service level than currently is more likely to generate in-year request to members for additional resources to deal with statutory service demands on an ad-hoc basis.	9,800

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Provision of B&B accommodation	Due to the excellent coordination work between the Housing Options Team and Housing Benefits, both in maximising HB take up and in reducing bed & breakfast usage through a continued focus on preventing homelessness (as a result of invest to save measures), there has been an on-going saving in this area of £10,000 per annum.	The current economic climate and the impact on the housing market, for example repossessions, may result in increased demand for the requirement to meet the council's statutory duty through the provision of B & B accommodation.	10,000
Residual saving from Single Advice Contract	£12,500 was held back from the original savings identified as part of the Single Advice Contract to fund expenditure on dilapidations to 340 High Street.	None	12,500
Box Office Wages	A greater number of casual employees has allowed the rotas to become more flexible and focus on busy periods.	None	15,000
TIC Postage	The streamlining of the postage budget within the Entertainment & Tourism division has resulted in on on-going saving in this area.	None	3,000
Total Social and Community			277,000
Vacancy levels - factor in increased savings through turnover - to £400k	Evidence on the past two years indicates that this saving is achievable without impact on service levels.	Leaves little scope in future years to find one-off sums required through the course of a financial year for one-off initiatives.	200,000
			200,000

Initial assessment of NI 179 efficiency savings for the 2009/10 budget : 1,084,100