



COUNCIL EXECUTIVE

2011/12 BUDGET REDUCTIONS – UPDATE ON PROGRESS TOWARDS IMPLEMENTATION

REPORT BY HEAD OF FINANCE AND ESTATES SERVICES

A. PURPOSE OF REPORT

To provide the Council Executive with a report on progress to date towards the achievability and implementation of approved 2011/12 budget reductions

B. RECOMMENDATION

It is recommended that the Council Executive:

- notes the report and progress being made in implementing 2011/12 budget reductions
- agrees that Heads of Service take the necessary management action to ensure 2011/12 budget reduction measures are achieved

C. SUMMARY OF IMPLICATIONS

I	Council Values	Being honest, open and accountable.
		Making best use of our resources.
II	Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	None
III	Resources - (Financial, Staffing and Property)	Approved 2011/12 budget reductions total £16.745 million.
IV	Consultations	Depute Chief Executives and Heads of Service.

D. TERMS OF REPORT

1. Introduction

This report sets out the position regarding the implementation and achievability of approved 2011/12 budget reduction measures. Substantial work has been undertaken since the 2011/12 budget was approved by Council on 11 January 2011 on implementing the significant level of budget reductions required to achieve a balanced budget for 2011/12.

An important element of this has been identifying and agreeing with services exactly where the reductions will be made in their budgets and seeking to confirm that expenditure will be reduced / income increased in accordance with the value of each individual measure. This has taken account of the matching of staffing budget reductions to vacant posts and staff who have taken early retirement / voluntary severance.

2. 2011/12 Budget Reduction Measures

The 2011/12 revenue budget includes £16.745 million of agreed budget reduction measures, which is by far the highest level of budget reductions the council has had to achieve. In order to obtain an early indication of progress in achieving the budget reduction measures and identify any risks, officers have undertaken a comprehensive review of all measures as early as possible in the new financial year. To this end Heads of Service have completed a budget reduction monitoring return covering each individual budget reduction. A summary of progress is shown in the table below.

Service	2011/12 Budget Reductions	Green	Amber	Red
Education, Planning & Area	£'000	£'000	£'000	£'000
Schools, Education Support	3,414	3,314	100	0
Area Services (including Arts, Sports & Outdoor Education)	2,250	2,093	157	0
Planning & Econ Dev	1,104	1,091	13	0
Corp, Ops & Housing				
Operational Services	2,082	1,655	427	0
Housing, Construct & Building	861	847	14	0
Corporate Services	1,865	1,855	10	0
WLCHCP & Social Policy	2,647	2,509	138	0
Chief Executive, Finance & Estates	2,522	2,416	106	0
Total	16,745	15,780	965	0

Green = Achieved / Certain to be Achieved

Amber = Expect to achieve, ongoing review required

Red = Not Achievable

As indicated above, the budget reduction monitoring returns show very good progress towards achieving the agreed target with £15.780 million (94%) of the overall budget reduction target assessed as green. A major contributory factor in this positive position has been the far reaching Tough Choices consultation undertaken on the budget reduction measures in 2010 which has allowed for detailed consideration of issues involved in implementation to be addressed timeously.

Given the level of savings required, there has inevitably been a reduction in total staffing numbers but, as a result of workforce planning across council services, this has been achieved through early retirement and voluntary severance.

There remain £965,000 of budget reductions which have been assessed as amber. These measures are still assessed as being achievable, however further ongoing review is required at this stage of the year. None of the budget reductions measures agreed for the approved 2011/12 revenue budget have been assessed by Heads of Service as being unachievable. The budget reductions classified as amber are shown in the table overleaf:

2011/12 Budget Reductions categorised as Amber		
<u>Description of Measure</u>	<u>Service</u>	<u>£'000</u>
Wraparound Care – Remove Subsidy	Schools with Education Support	80
Review of CLAD/libraries for integrated service delivery (Total saving of £151,000 of which £111,000 has been categorised as Green, with balance Amber)	Area Services	40
West Calder fitness centre – review of subsidy (Total saving of £50,000 of which £37,000 has been categorised as Green, with balance Amber)	Area Services	13
Increased income opportunities at Howden Park Centre	Area Services	54
Increased income at outdoor education centre, Low Port	Area Services	32
Public Transport – revised bus shelter contracts	Operational Services	20
5% general vehicle efficiency and utilisation savings	Operational Services	158
Charge developers for street name signage	Operational Services	25
Modernisation of road monitoring facility	Operational Services	70
Staffing rationalisation of waste management & strategy	Operational Services	85
Bin provision and delivery – charge developers	Operational Services	33
Reduction to housing support services - both internal and external (Total saving of £90,000 of which £60,000 has been categorised as Green with balance Amber)	Social Policy	30
Increased rental income	Finance & Estates	100
Reduction in car mileage (Total saving of £425,000 of which £200,000 has been categorised as Green with balance Amber)	Council wide	225
Total		965

A further review of progress in delivering the 2011/12 budget reduction measures will be undertaken as part of the month 4 monitoring process to be reported to Council Executive in September 2011.

E. CONCLUSION

The monitoring of progress in achieving 2011/12 budget reduction measures has demonstrated that good progress is being made. At this point, £15.780 million of budget reductions are already achieved or have been assessed as certain to be achieved. The remaining reductions of £965,000 million have been classed as amber and as such are expected to be achieved. These measures in particular will continue to be closely monitored throughout this financial year to ensure they are delivered in full.

Contact Person: patrick.welsh@westlothian.gov.uk - Tel No. 01506 281320

Donald Forrest

Head of Finance and Estates

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