

## Budget Proposals 2014/15 and 2015/16: Commercial Services

<b>Name:</b>	<b>Anne-Marie Bond</b>	<b>Position:</b>	<b>Executive Head of Commercial Services</b>
<b>Business Unit:</b>	<b>Commercial Services</b>	<b>Directorate:</b>	<b>Finance and Operations</b>
<b>Executive Lead(s):</b>	<b>Cllr Derek Mills</b>	<b>Date:</b>	<b>6<sup>th</sup> February 2014</b>

### \*Type of Decision

- **Internal** - Efficiency / internal re-structure
- **Minor** – Low community impact/interest
- **Major** - High community impact/interest

Proposals – Outline details <i>Please outline which financial years income / savings will be realised AND identify which service area (activity area) within your service review document the saving / income relates to.</i>	Savings for 2014/15 & 2015/16		Implementation Cost <i>Include brief outline + year incurred</i>	Delivery Date <i>When will this proposal realise income / savings</i>	Risks / impact of proposals <ul style="list-style-type: none"> <li>• Potential risks</li> <li>• Impact on community</li> <li>• Knock on impact to other agencies</li> </ul>	Type of decision*		
	Income £'s	Budget reduction £'s				Internal	Minor	Major
<b>2014/2015</b>								
<b>1. Voluntary reduction of hours (0.8 fte) in Governance Support</b>	0	21,700	None	01.04.13	Impact already absorbed. Reduced level of resources when resources already strained within Governance Support. Clear expectations with departments and members will need to be established.	X		
<b>2. Voluntary reduction of hours (0.2 fte) in Land Charges</b>	0	4,700	None	01.12.13	Multi-skilling of staff from other departments will provide additional resources and resilience to Land Charges team to cope with increasing demand.	X		

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	Income £'s	Budget reduction £'s				Internal	Minor	Major
<b>3. Re-structures of the teams and reductions in the number of posts (6 posts)</b>	0	211,700	1 x vacant post – no costs  5 x posts – associated redundancy costs	Various until 31.03.14	Reduced capacity to across the teams. Reductions cannot be achieved without impact upon service delivery. Clear expectations with departments and members will need to be established as to the level of service able to be delivered going forward.	X		
<b>4. Tight control of non pay budgets</b>	0	6,400	None	In place	Further reduction of limited non pay related budget lines. This limits opportunities for training and the purchase of technical and legal resources.	X		
<b>5. Increased target for income generation</b>	65,000	0	None	01.04.14	An increase in activity in the property market has seen increased fees being generated. There are no changes to the level of fees being charged.	X		
<b>7. Savings generated by merger of Coronial districts with Plymouth City Council</b>	0	20,000	None	01.04.14	Following the Ministry of Justice decision to merge the Coronial areas for Plymouth and Torbay, work is proceeding to move to one administrative office. This will result in savings. Given timings, these savings will be staggered, the projected overall savings is split over 2 years.	X		
<b>8. Removal of Elections General Expenditure</b>	0	2,000	None	01.04.14	This budget line covers ancillary budget matters for elections. In practice this budget line is not used, as expenses are incorporated in the Governance Team's budget.	X		

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	Income £'s	Budget reduction £'s				Internal	Minor	Major												
<b>9. Deletion of budget for a Special Responsibility Allowance (SRA)</b>	0	6,500	None	01.04.14	Members can only claim one SRA, but the full budget has always been included to allow for changes in member structures. The deputy mayor has always had a portfolio, and it is not thought that the Deputy Mayor would ever not have a portfolio. The SRA that is proposed be deleted has never been used.	X														
<b>10. Increased income target for Registrars</b>	7,500	0	None	01.04.13	<p>Increase fees for weddings in approved premises, so that fees comparable with those charged in Devon.</p> <table border="0"> <thead> <tr> <th></th> <th>Current</th> <th>Proposed</th> </tr> </thead> <tbody> <tr> <td>Mon – Fri</td> <td>£325</td> <td>£400</td> </tr> <tr> <td>Saturday</td> <td>£350</td> <td>£425</td> </tr> <tr> <td>Sunday</td> <td>£400</td> <td>£475</td> </tr> </tbody> </table> <p>Part year impact. The majority of weddings are booked up to a year in advance, so a full year effect will only be seen in year two.</p>		Current	Proposed	Mon – Fri	£325	£400	Saturday	£350	£425	Sunday	£400	£475		X	
	Current	Proposed																		
Mon – Fri	£325	£400																		
Saturday	£350	£425																		
Sunday	£400	£475																		
<b>11. Reduction in non-pay budgets</b>	0	23,000	None	01.04.14	Further reduction of limited non pay related budget lines. This limits opportunities for training and the purchase of technical resources.	X														

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	Income £'s	Budget reduction £'s				Internal	Minor	Major
<b>2015/16</b>								
<b>12. Re-structure of teams</b>	0	143,000 (approx)	Associated redundancy costs	Autumn 2014 – March 2015	Reduction in capacity. Resources already strained. The reductions will have an impact upon service delivery. There will need to be decisions as to what work the teams stop providing. Clear expectations/standards of service with members and departments will need to be established.	X		
<b>13. Savings generated by merger of Coronial districts with Plymouth City Council</b>	0	17,500	None	01.04.15	Following the Ministry of Justice decision to merge the Coronial areas for Plymouth and Torbay, work is proceeding to move to one administrative office. This will result in savings. Given the timing of the merger, the savings will be staggered over two years.	X		
<b>14. Increased income targets</b>	60,000	0	None	01.04.15	The income figures adopted for year 1 were cautious. It is hoped that confidence from the 13/14 and 14/15 figures will allow for further increased income targets	X		
Total income / saving 2014/15	72,500	296,000						
Total income / saving 2015/16	60,000	160,500						
<b>SUB TOTAL</b>	<b>£132,500</b>	<b>£456,500</b>						
<b>TOTAL</b>	<b>£589,000</b>							

## **INSURANCE FUND**

In addition to the savings target set for Commercial Services, we were asked to find savings of 5% from the costs of insurance. 5% of the insurance costs equates to £50,000.

The Council's Insurance Manager has reviewed this together with Martin Phillips, Principal Accountant, and they have taken account of the recent actuarial review received from our brokers. This review indicates a contribution amount to meet the Council's claims losses which is less than the current reserve in the Revenue Budget. Therefore as a result of this it will be possible to release £90,000 from the Insurance Revenue Budget.

Additionally an increase of £50,000 in the insurance trading income has been identified.

Total Savings from Insurance Budget in Year 1: **£140,000**

## **CONCLUSION**

Commercial Services were set a combined target of £685,000, including Insurance requirements.

*For the 2013/14 budget, one off funding of £40,000 was used to build the budget, therefore in order to achieve a balanced budget, total savings of **£745,000** were necessary to be identified.*

**The income and savings as detailed within this document amount to £746,000, with £508,500 in Year 1 (including the insurance savings) and £236,500 in Year 2.**