

**Confident Capable Council Scrutiny Panel
03 December 2014**

Appendix F

Updated June Savings Proposals

Description of Saving	Directorate	Comments
City Services		
Migration of services into the Contact Centre and streamlining existing Customer Service functions	Delivery	No comments from Councillors
Resources		
Revenues & Benefits Restructure	Delivery	No comments from Councillors
Council tax benefit overpayments one-off/short-term benefit (collection fund)	Delivery	No comments from Councillors
Advertising Income Generation	Delivery	<p>Cllr Photay welcomed the inclusion of the proposal stating that it would help improve the City's image and is also an opportunity to generate revenue and commercial land opportunities on land that is currently derelict.</p> <p>Cllr Johnson advised the panel that advertising is extremely important and is something the Council has done well historically, however over recent years this had dropped off. The council is now trying to proactively advertise on its physical assets and website. The estimated revenue is stated as £50,000 but believe we can achieve more than this.</p>

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Sharing Services Across the Black Country	Delivery	<p>Cllr Bolshaw enquired as to whether the saving proposed could be increased.</p> <p>Cllr Johnson responded by informing the panel that at present the Council cannot enter a wholesale sharing service with other councils in the Black Country due to their different contracts terminate at different times. Cllr Johnson said that waste management shared across the Black Country has the potential to make a saving for the Council, however he did make the panel aware that all councils in the Black Country including Wolverhampton are tied up in contracts for waste management. Moreover the Council already shares its Head of Audit and VAT advisor with Sandwell Council and is looking at the possibility of sharing more Audit services across the two Councils. Further to this the Council is also looking at the possibility of sharing other areas of financial services.</p>
Treasury Management technical changes	Delivery	No comments from Councillors
Resources		
Treasury Management commercial loans opportunities	Delivery	<p>Cllr Bolshaw said that as the issuer of loans the Council would be the owner of risk, and questioned how the Council will go about negating this and ensuring minimal risk.</p> <p>Cllr Johnson informed the panel that voluntary groups sometimes own property and one way the Council can minimise the risk is to secure the grants or loans against property or other assets.</p> <p>The panel were also informed that treasury management officers would advise and liaise with external financial services for external advice. Due to the money the Council can acquire from the Public Works Loans Board the Council can offer lower rates of repayment due to borrowing rates, this adds a real benefit for the community and this process will also gain the Council a small financial advantage due to the difference in interest rate margins.</p>

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		<p>Cllr Potter asked for more information regarding the risks to this strategy.</p> <p>Mark Taylor advised the panel that the Council will manage any risk to the best of its ability, though loans cannot be risk free. There is a structure of internal and external support and credit assessments prior to any loan being approved. Any proposed loans will be subject to approval of Cabinet (Resources) Panel.</p> <p>The panel resolved to be updated on risk at future meetings.</p> <p>Cllr Siarkiewicz stated that grants and loans to community and voluntary groups is worthwhile, however there may be some groups who are looking for loans or grants but may have a poor credit reference, and requested more information about the criteria.</p> <p>Cllr Johnson stated that the criteria are there to minimise risk to the Council and not to exclude anyone from applying for a grant or loan, and the Council would look to minimise risk by securing against assets.</p> <p>Cllr Photay asked as to whether additional employees would be needed to manage these applications.</p> <p>Cllr Johnson stated that current employees would be utilised and in certain cases credit reference agencies would be used.</p> <p>Mark Taylor added that if there was any shortfall in employees then that shortfall would be brought in if a business case can be approved that any additional costs would be recovered.</p> <p>The Council will look how it can achieve the aims with the least cost.</p>

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Treasury Management savings from capital programme review and impact of 2013/14 outturn	Corporate	No Comments from Councillors
Internal Audit - Acceleration of previously identified savings	Delivery	No Comments from Councillors
Governance and Performance		
Chief Officers' Annual Increments Voluntarily Forgone	Office of the Chief Executive	Cllr Collingswood stated that it was worth noting that all directors and the Managing Director had forgone there increments.
	Delivery	
	Community	
	Education & Enterprise	

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City Services		
Employee car parking fees	Delivery	<p>Cllr Collingswood queried whether the car parking fee's saving figure was correct and also noted his concern that this may penalise those employees with essential car allowances.</p> <p>Cllr Johnson stated that at present the Council internally recharges parking fees to departments, the proposal is to now charge this out directly to employees.</p> <p>Cllr Collingswood raised concern that this move could hinder employee morale and motivation and could generate a mood of negativity.</p> <p>Cllr Potter put forward that this did appear as if it would negatively impact employees.</p> <p>Keith Ireland responded by informing the panel that essential car users meet the criteria so this charge will not affect them.</p> <p>Keith Ireland also told the panel that people who park underneath the Civic Centre are already charged £800 per annum and park there by choice. The charges will affect the Council owned car parks around the City. It is proposed that prices will start from around £20 a month for those car parks further away from the Civic Centre and will get more expensive the closer they park.</p> <p>Keith Ireland stated that this was the second phase of a car park review, the first having been completed successfully.</p> <p>Some Councillors asked whether this move was fair or if it raised any equality issues. Keith Ireland explained that there are already criteria in place to enable people who need to park close to the building for reasons of disability or other issues. This will still remain, but access will be reviewed more regularly to ensure fairness. Employees who do not meet the criteria can choose to pay to</p>

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		<p>park or use alternative means of transport. This proposal has been in the MTFS for a significant amount of time and implementing it has aided the avoidance of the Council proposing pay increment freezes and a reduced working week for employees.</p> <p>Cllr M Jaspal stated this proposal has been on the agenda for some time, and also highlighted other authorities such as Walsall MBC have implemented similar changes and bedding in issues have been resolved.</p>
Resources		
Refocusing Legal Services	Delivery	<p>Cllr Wynne enquired around what options were being considered for the refocusing of Legal Services proposal.</p> <p>Cllr Johnson informed the panel that Kevin O’Keefe has been looking at ways of making the legal services department more efficient including considering shared services with other Councils.</p>
Refocusing of Internal Audit Services	Delivery	No comments from Councillors
Technical change to the Council's policy for Minimum Revenue Provision	Delivery	<p>Cllr Johnson informed the panel that the Council was being prudent with its revenue provision debt, and was moving from a straight line to an annuity method. This means there will be savings in the short to medium term as repayments in principal are lower in early years and higher in later years. Based on the current provision the Council stands to benefit over the next 25 years. External auditors have been involved in this process and it has also been adopted by other councils such as Shropshire; Stoke-on-Trent Sandwell and Birmingham.</p> <p>Cllr Johnson stated this was another measure that aided the prevention of proposing a reduced working week for employees.</p>

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Reduction in West Midlands Integrated Transport Authority Levy	Delivery	<p>Cllr Siarkiewicz asked for more detail around the reduction in the transport levy.</p> <p>Councillor Johnson responded by stating this has the agreement of all the West midlands authorities and equated to a reduction of about 5%. This reduction would mean Centro making savings and mirrors the savings having to be made by each of the seven West Midlands councils.</p> <p>These savings are likely to be made in line with the provision of the service provided.</p>
Resources		
Acceleration of Existing Savings both from Efficiencies and the restructuring of senior management in order to deliver the Council wide target, of a minimum of £350,000, approved by Full Council on 17 September 2014.	Delivery	<p>Cllr M Jaspal asked how many posts had been deleted as a part of this savings proposal.</p> <p>Keith Ireland informed the panel that the saving in the proposal had been surpassed and stands at £502,000.</p> <p>The posts that have been deleted are the Chief Executive's post; Strategic Director – Delivery; Head of Property Post; Assistant Director Business Change Post and two Heads of Service Posts.</p> <p>Cllr M Jaspal enquired as to whether the savings took into account redundancy pay, the panel were told that the figure does not include redundancy pay as this is funded corporately from the general reserve the details of which will be published in June 2015.</p>
Acceleration of existing saving proposal - reduction in contribution to bad debt provision	Delivery	No comments from Councillors
Preliminary estimate of banking charges procurement savings; to be revised when procurement exercise concludes	Delivery	No comments from Councillors

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Reduction in the number of payment cards issued	Delivery	<p>Cllr Potter enquired as to why residents were still paying via payment cards and whether there were any incentives to pay via Direct Debit.</p> <p>Mark Taylor stated that this proposal is that there is a change in the practice of setting up payments so that payment cards are set up by exception rather than the rule.</p> <p>Mark Taylor explained there are currently no incentives to pay by Direct Debit, but there is currently a review on debt collection and so this point will be fed in to that review.</p> <p>Councillor Johnson also informed the panel that the Council's performance on debt was slightly better than the average of other Metropolitan Borough Councils, but that it is an area that is being looked at carefully.</p> <p>Cllr Potter suggested that universal credit could make debt collection more difficult; Cllr Johnson replied that universal Credit was still in its infancy and so there is likely to be little impact on Wolverhampton in the near future.</p>
Penalties for failure to supply information relating to council tax recovery	Delivery	No comments from Councillors
Resources		
One-off saving from Government grant.	Delivery	No comments From Councillors
Treasury Management - additional investment income and further reduction in borrowing costs	Delivery	No comments from Councillors
On-going restructuring of the ICT Service and capitalisation of ICT Capital Programme activity	Corporate	No comments from Councillors

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Review frequency and the support for meetings.	Delivery	<p>Cllr Bolshaw asked whether there had been any feedback on this proposal.</p> <p>Cllr Johnson informed the panel that Cllr Sweet and himself had been asked by Cabinet to look at this issue. Cllr Johnson raised the risk to the democratic process, and added that it was important that scrutiny work such as pre-decision scrutiny and scrutiny reviews are not reduced to a level which risks accountability and transparency. It was suggested that a report detailing any findings or proposed changes should come back to Confident Capable Council Scrutiny Panel so that they can scrutinise any proposals that could impact on the democratic process.</p> <p>Cllr Johnson added that if no savings can be sufficiently identified through reducing meetings then an alternative will have to be found.</p> <p>Cllr Potter stated a preference for a smaller scrutiny agenda to enable focussed scrutiny work, rather than less meetings with large agendas that did not enable any detailed scrutiny.</p>
Governance and Performance		
Annual Travel Card Scheme Expenditure	Delivery	No comments from Councillors
Governance and Performance		
Occupational Health External Clients	Delivery	<p>Cllr Potter enquired whether this savings proposal was around bringing those employees on long term sick leave back to work.</p> <p>Cllr Johnson clarified that this savings</p>

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		proposal was not to do with employees on long term sick leave but was about offering occupational health services out to other external organisations for a small charge. It is proposed that this would create a modest income for the Council.
Leader of the Council		
Additional savings from Communications restructure (026).	Office of the Chief Executive	No comments from Councillors
Savings from the restructuring of senior management in order to deliver the Council wide target, of a minimum of £350,000, approved by Full Council on 17 September 2014.	Office of the Chief Executive	No comments from Councillors