

**Resources Directorate
Savings Proposals 2008/09**

Annex 3

	Brief Description	Net saving 2008/09 £(000)	Full Year 2009/10 £(000)	Full Year 2010/11 £(000)
	<u>a) Savings assumed within the report</u>			
RESHS2	<u>Reduce Resources within Internal Audit / Fraud</u> To delete a post from the existing Audit and Fraud team establishment. This will have an impact on the team's ability to deliver the annual Audit and Fraud Plan which is currently under-resourced. It is likely that in actioning this saving that there will be adverse comment from the District Auditor and may impact on future CPA score.	24.00	24.00	24.00
RESMS1	<u>Increased recovery of Housing Benefit Overpayments</u> Since transferring to Exchequer in 2005 the HB Overpayments Team has consistently increased the levels of recovery. This saving reflects this on-going increase in performance.	20.00	20.00	20.00
RESMS2	<u>Additional income from Court Fees</u> Every time a non paying customer is summonsed to court there is a charge that the court imposes on that customer. Any increase would need to be approved by the court. We would then need to collect the costs in addition to any other debt outstanding. Current income levels show income is above the current budget.	40.00	40.00	40.00
RESMS3	<u>Improved performance in benefits service</u> Improved performance in the benefits service could result in an increase in subsidy income payments. By reducing the amount of local authority error overpayments to below the challenging government target we will receive additional subsidy income. This proposal assumes the council budgets to receive 40% subsidy with LA errors totalling £190k. This is a challenging target and failure to meet the target will have significant financial impact on the service.	46.00	46.00	46.00
RESMS4	<u>Review of Benefits and overpayments budgets</u> A large amount of work has been carried out (and is still ongoing) to establish the budget position relating to the benefits service and the complex relationship between the benefit paid out and the benefit subsidy income received from the Department for Work and Pension. The financial situation has also improved due to the higher levels of performance within the benefits service and the resulted subsidy rewards .	100.00	100.00	100.00
RESMS5	<u>Improved Council Tax / NNDR collection rate</u> When calculating the levels of income that will be received from the council tax an allowance is made for those debts which are not able to be collected. At present the assumption is that 98% of council tax income will be successfully collected. Where this figure is exceeded the additional income is shared between the council, the police and the fire authority. Over recent years the level of collection has consistently exceeded the 98% target and so it is possible to increase the potential levels of collection. This proposal suggests that the assumed collection rate is increased to 98.25% releasing an additional £150k into the base budget. Failure to hit this target will result on a deficit on the collection fund which would then need to be met by the three precepting authorities. The Director of Resources deems such a risk to be low. It should be noted that this increase, whilst built into the base budget, will result in lower collection fund surpluses from 2009/10 onwards.	150.00	150.00	150.00
RESMS6	<u>Lease Drop Outs</u> The proposal is to buy-out leases terminating both in year plus additional savings from buy-outs in previous year. The saving is dependent on negotiating with lease providers over the residual value of equipment.	168.00	168.00	168.00

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RESMS7	<u>IT&T - Reduction in Staff Resources</u> Reduce the IT&T Support Team resources by one FTE following the migration of the Corporate Print Services to the Central Print Unit and the continued development of automated support processes.	28.00	28.00	28.00
RESMS8	<u>Additional Income within IT&T for expanding use of network</u> Additional Support Service income generated from expanding the use of the Corporate Network Remote Access System.	15.00	15.00	15.00
RESLS1	<u>Venture Fund Loan Repayment</u> Following an underspend in 2006/07 the Directorate was able to repay two venture fund loans that have budgeted repayments in 2007/08 and future years. Repaying the procurement loan freed up £50k of resources within the audit and risk management budget and repaying the SX3 loan freed up £201k in the IT&T budget.	251.00	251.00	251.00
RESLS2	<u>Strategic Finance - Service Budget Savings</u> A review has been undertaken of budgets within the corporate accountancy service. This has identified three areas where savings can be taken on existing budgets without a significant impact on performance: a) the replacement in 2007/08 of a Senior Accounting Technician with a Trainee Accounting Technician (£10k); b) deleting the consultancy budget established to support the council's current financial ledger (£5k); and c) realising savings on the letting of a new contract for specialist treasury advice to the council (£2k)	17.00	17.00	17.00
RESLS3	<u>Support Arclight to become a registered social landlord</u> If Arclight becomes a registered social landlord, then benefit claims will no longer be subjected to referral to the rent officer / local housing allowance and therefore benefit will be paid without a penalty /reduction in benefit subsidy payable by the Department for Work and Pensions.	20.00	24.00	24.00
RESLS4	<u>Savings from ITT Projects being cancelled or completed under budget</u> Following a review of ITT Development projects, a total of 6 projects have been completed under budget (£-24k) whilst a further 4 projects have been cancelled following a change in Business requirements (£-24k). There is a further saving from no longer requiring the ITT Printing Service (£-9k).	57.00	57.00	57.00
RESLS5	<u>Price increases for commercial property (annual rent review)</u> Increase in rental income from the commercial portfolio 2008/09 rent reviews.	60.00	60.00	60.00
RESLDS1	<u>Review of Overhead budgets within IT&T</u> A reduction in the overhead budget in relation to subscriptions, conference and subsistence costs.	4.00	4.00	4.00
RESLDS2	<u>Review Admin Budgets</u> Make savings on various departmental supplies and services budgets within Property Services.	5.00	5.00	5.00
Total Savings		1,005.00	1,009.00	1,009.00

b) Savings considered but not proposed				
RESHS1	<u>War Pension - amend pension disregard</u> The law relating to Housing and Council Tax Benefits allows a Council to have the option of not taking into account any income from war pensions when calculating entitlement to benefit. City of York Council does not include this income in the calculation and this costs the council £69k per annum. A saving of £20k could be achieved by disregarding income below £114 per week (£5,928pa) when calculating benefit eligibility.	20.00	20.00	20.00