

**Resources Directorate
Savings Proposals 2007/08**

Annex 3

	Brief Description	Net saving 2007/08 £(000)	Full Year 2008/09 £(000)	Full Year 2009/10 £(000)
	<u>a) Savings assumed within the report</u>			
RSS01	<u>IT Lease Savings</u> Saving on 5 year leases which expire in 2007/08.	213.00	213.00	213.00
RSS02	<u>Telephony Contract</u> The current telephony contract ends in November 2007. It is possible that significant savings can be made depending on our requirement for a new contract. Savings in running costs, technology cost and call costs could be £150k in a full year and thus £50k in 2007/08.	50.00	150.00	150.00
RSS03	<u>Mobile Phone Call Costs</u> Incorporating the Council's mobile phones in the main telephony contract may give call cost savings of c£15k. The main saving is anticipated where calls are from landlines to mobiles. This saving will need to be disaggregated to Directorates.	15.00	15.00	15.00
RSS04	<u>Remote Access Authentication</u> Reduced costs due to the replacement of the current system that enables home workers and Elected Members to access City of York Council computer systems. It should be noted that the implementation of this saving will cause a delay to remote users of a few additional minutes when accessing the system.	2.50	7.50	10.00
RSS05	<u>Digi TV</u> The Council subscribes to DIGI TV at a cost of £10k per year. After a slow start the service has received 9,000 hits between March and August 06. The service is having enhancements such as GP appointments, Community Legal Services, Advice Guide and Transport Direct and the provider expect usage to double. The proposal is to cease the council's contribution to the project.	10.00	10.00	10.00
RSS06	<u>ITT - Corporate Storage System</u> As a result of work to move to a new information storage system, it will be possible to reduce and then cease an existing support agreement. The 07/08 saving will depend upon confirmation that a 6 month support agreement is available at the expected cost.	9.00	18.00	18.00
RSS07	<u>ITT - Reduced Network Connectivity Costs</u> Reduced on going network costs resulting from the completion of the replacement telephone system project that included cancelling the now redundant telephony lines between the council's accommodation buildings.	55.00	55.00	55.00
RSS08	<u>ITT - Disaster Recovery</u> Current disaster recovery arrangements would replace identified Business critical ITT hardware and business systems. These services are provided until City of York Council has recovered its ITT services. Recent technology advances allows for the hosting of several systems on one server in certain circumstances. A number of such systems have been identified that reduces the externally provided disaster recovery requirements.	5.00	5.00	5.00
RSS09	<u>Audit Commission Fees</u> Anticipated reduction in core audit and inspection fees totalling £5k.	5.00	5.00	5.00
RSS10	<u>Corporate Procurement</u> Savings anticipated by rationalising corporate procurement functions within different parts of the Directorate into one central procurement support and advisory team. This proposal is likely to lead to a redundancy.	25.00	25.00	25.00

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RSS11	<u>Housing Subsidy Administration - Repayment of Venture Fund</u> The Housing Benefit take up campaign generated enough additional Revenue Support Grant to pay for itself and to provide a budget towards the repayment of the Venture Fund loan. The Venture Fund loan was repaid during 2005/06 and thus the ongoing revenue budget of £25k is available as a saving.	25.00	25.00	25.00
RSS12	<u>Housing Benefit / Council Tax Benefit Subsidy Administration</u> Remove 0.5fte post at principal officer level. Other staff within the team to take over responsibility which may involve minor regrading. This proposal is likely to lead to a redundancy/early retirement.	15.00	15.00	15.00
RSS13	<u>Remove Council Tax Discounts for Long Term Empty Properties</u> Remove the discount of 10% that owners of long term empty properties receive (currently relates to c 650 properties). This will generate extra income of £80k. There will also be a marginal reduction in administration. It will provide more incentive to bring houses back into use more quickly however the council will lose easy access to information over levels of empty housing stock.	80.00	80.00	80.00
RSS14	<u>Savings from Revenues and Benefits Management and Administration</u> The opportunities and changes brought about by easy@york mean that it is necessary to revisit the structure put in place after the Best Value Review . The changing face of customer contact and Revenues and Benefits processing mean that it may be possible to streamline management costs and review administration such as scanning and indexing. This will result in a reduction in staff levels and potential redundancies (maximum no 2fte)	50.00	50.00	50.00
RSS15	<u>Efficiencies from York Customer Contact Centre</u> It is anticipated that the York Customer Centre will achieve efficiencies and also drive out further efficiencies in the Revenues and Benefits services. This could involve a reduction in posts and other staff costs. Despite the Centre only being open for a very short time there are early indications that this will be achievable. The saving is based on a reduction of two fte posts from October 2007 but is anticipated it can be achieved through staff turnover.	25.00	50.00	50.00
RSS16	<u>Systems Support</u> Analysis and rationalisation of budgets has established that some elements of the budget do not reflect expenditure. This has led to savings within consultancy and publications (£5k).	5.00	5.00	5.00
RSS17	<u>Local Taxation Recovery</u> Analysis and rationalisation of budgets has established that some elements of the budget do not reflect expenditure. This has led to savings within Pensions (£3k), Printing (£5k) and Postages (£5k).	13.00	13.00	13.00
RSS18	<u>Benefits Administration Subsidy</u> Review into the level of housing and council tax subsidy in order to maximise the level of grant that can be claimed by the authority (£50k). The government have altered the method used to calculate the amount each Council receives and this has resulted in the City of York Council receiving an additional £5k.	55.00	55.00	55.00
RSS19	<u>Benefits Overpayments</u> When a customer is overpaid Housing Benefit we normally try to recover that sum. Many of the people with overpayments remain on benefit and are not in a position to pay back the overpayment in a lump sum. In these cases we deduct some of their benefit entitlement to pay off their overpayments. We will increase the amount of money that we deduct from customers benefit to £8.70per week (currently £6.35). This will get the debt paid more quickly and more will be collected. It is estimated this will result in increased income of £10k.	10.00	10.00	10.00

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RSS20	<u>Property Services - General Budgets</u> A thorough review of all general overhead budgets has resulted in identified available savings from car allowance, consultants, photocopying and subscriptions budgets totalling £10k.	10.00	10.00	10.00
RSS21	<u>Property Services - Business Unit</u> Reorganisation of support services function within property resulting in loss of 1 fte offset by regrade of other posts within the unit commensurate with increased responsibilities. This proposal is likely to result in a redundancy.	15.00	30.00	30.00
RSS22	<u>Sundry Cashflow and Administrative Savings</u> Savings from the implementation of the visiting officer for debtors achieved through improved cash flow (£10k) and reduced bailiff costs (£4k).	14.00	14.00	14.00
RSS23	<u>Financial Services - General Budgets</u> A thorough review of all general overhead budgets has resulted in identified available savings from consultants and postages budgets totalling £10k	10.00	10.00	10.00
Total Savings		716.50	870.50	873.00

Treasury Management Savings

	Brief Description	Net saving 2007/08 £(000)	Full Year 2008/09 £(000)	Full Year 2009/10 £(000)
TMS01	<u>Interest on Capital Receipts</u> Additional interest arising in 2007/08 from capital receipts.	80.00	0.00	0.00
TMS02	<u>Debt Restructure</u> There is the opportunity to restructure some of the Council's debt portfolio where we pay a relatively high rate of interest in to debt with a lower rate of interest. It is envisaged that a saving of around £50k can be made by doing this. In addition there is the one-off impact of a low rate £5m loan taken out in advance of need which can be invested in the short term until it is required. This should raise a further £50k in 2007/08.	100.00	50.00	50.00
Total Savings		50.00	50.00	50.00
One-off Savings Total		130.00	0.00	0.00

b) Other Savings Options

	Brief Description	Net saving 2007/08 £(000)	Full Year 2008/09 £(000)	Full Year 2009/10 £(000)
RSS25	<u>National Non Domestic Rates</u> Bring forward the date that businesses are required to pay NNDR from 15th of each month to the 1st of each month. This will affect c. 400 businesses and provide a cash flow saving.	6.00	6.00	6.00
RSS26	<u>Council Tax</u> Bring forward the date that council tax payers are required to pay tax from 15th of each month to the 1st of each month. This will only affect those who currently pay by cash or cheque.	7.00	7.00	7.00
RSS27	<u>Benefits - Removal of optional War Pensions Disregard</u> CYC currently disregards income from war pensions when considering the entitlement to benefit. To include this income would reduce the benefit liability by £60k.	60.00	60.00	60.00
RSS28	<u>ITT - Disaster Recovery</u> Proposal to terminate the current disaster recovery support contract. This would result in ongoing savings however could lead to no protection in the event of a disaster that affected CYC computer network.	44.00	44.00	44.00