

REPORT TO: SPECIAL POLICY & RESOURCES COMMITTEE -
13 FEBRUARY 2006
SPECIAL FINANCE COMMITTEE - 13 FEBRUARY 2006

REPORT ON: REVENUE BUDGET 2006/07 - FURTHER SAVING
PROPOSALS

REPORT BY: CHIEF EXECUTIVE AND DEPUTE CHIEF EXECUTIVE
(FINANCE)

REPORT NO: 158-2006

1 PURPOSE OF REPORT

- 1.1 To provide members with further savings options to reduce the net Revenue Budget for 2006/07.

2 RECOMMENDATIONS

- 2.1 When preparing their proposals for the Revenue Budget and Council Tax for 2006/07, the Committee are asked to consider the additional savings options detailed in paragraph 6, amounting to £1,100,000.

3 LOCAL AGENDA 21 IMPLICATIONS

None.

4 EQUAL OPPORTUNITIES IMPLICATIONS

None.

5 BACKGROUND

- 5.1 The Special Policy and Resources and Finance Committees of 9 February 2006 were adjourned to Monday, 13 February 2006 to enable the elected members to explore all possible options before setting the final Revenue Budget and Council Tax for 2006/07.
- 5.2 At the request of the Administration, the Chief Executive and Depute Chief Executive (Finance) are now putting forward 2 further savings proposals for consideration by members.

6 SAVINGS PROPOSALS

6.1 Capital Financing Costs (£260,000)

The Depute Chief Executive (Finance) has recently secured borrowing for capital projects at historically low rates. It is estimated that these borrowing transactions will result in an annual interest saving of £260,000 compared to the original estimate for 2006/07.

6.2 Sheltered Housing Wardens Service (£840,000)

- 6.2.1 Officers have recently reviewed the apportionment of Sheltered Housing Service costs between Housing Management and Support. Members will be aware that this apportionment has varied over the past few years and following this further review, the officers are of the opinion that the majority of the service should be apportioned to Housing Management.
- 6.2.2 As more of the service is deemed to be Housing Management, it is considered appropriate to transfer the Sheltered Warden staff from Social Work to the Housing Department. Under this proposal all permanent staff would transfer and preliminary negotiations have commenced with the Trade Unions. Obviously the Trade Unions will be involved in the final decisions regarding transfer and grading of the posts involved.
- 6.2.3 There are presently a number of abatements in place to protect service users from increased charges arising from previous changes to the charging regime and these will continue into the financial year 2006/07 and be subject to review thereafter.
- 6.2.4 The proposal to increase the apportionment of the charge to Housing Management will result in an increase in the Sheltered Housing Service Charge, however, it is proposed that a protection scheme will be introduced to ensure that no existing users will pay more in 2006/07.
- 6.2.5 A detailed report will be submitted to the appropriate committees following full consultation with the Trade Unions. In addition a review of the service charge will be the subject of another report.
- 6.2.6 It is estimated that the above proposals will generate savings in excess of £840,000, some of which will be required to cover the impact of lost income to the Social Work Account.

7 **CONCLUSION**

- 7.1 This report provides members with a further 2 savings options to reduce the Revenue Budget and Council Tax for 2006/07.

8 **CONSULTATION**

- 8.1 Preliminary consultation has been initiated with the Trade Unions in respect of the Sheltered Wardens proposal. Further detailed negotiations will be required prior to implementation of this proposal.

CHIEF EXECUTIVE
DEPUTE CHIEF EXECUTIVE (FINANCE)

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