

**REPORT TO: POLICY & RESOURCES COMMITTEE – 12 SEPTEMBER 2011**

**REPORT ON: DISCRETIONARY EXPENDITURE REVIEW**

**REPORT BY: DIRECTOR OF FINANCE**

**REPORT NO: 365-2011**

## **1 PURPOSE OF REPORT**

- 1.1 To appraise the Policy & Resources Committee of the findings of the recent review of Discretionary Expenditure, and to make appropriate recommendations.

## **2 RECOMMENDATIONS**

The Policy & Resources Committee is asked to:

- 2.1 note the contents of this report
- 2.2 agree that the savings identified in this report are implemented with effect from 1 October 2011 and incorporated into the Provisional 2012/2013 Revenue Budget

## **3 FINANCIAL IMPLICATIONS**

- 3.1 This review has identified full-year savings of £265,000 of which £196,000 are applicable to General Fund Services. These savings will be incorporated into the Provisional 2012/2013 Revenue Budget and will alleviate, to some extent, the pressure to identify savings in key front-line services.
- 3.2 The implementation of these savings with effect from 1 October 2011 will result in part-year savings accruing in 2011/2012.

## **4 BACKGROUND**

- 4.1 The Policy & Resources Committee on 23 August 2010 approved report 441-2010 on Changing for the Future, including a schedule of individual projects to be undertaken. One of these projects is a Discretionary Expenditure Review.
- 4.2 The Changing for the Future Programme involves, amongst other things, a reduction in employee numbers and a review of the Council's overall management and organisational structure. This, in turn, offers a tactical opportunity to review certain areas of discretionary expenditure with a view to identifying budget savings for 2012/2013 and beyond. For the purposes of this review, the term "discretionary" is defined to include expenditure that is not directly:
- required by statute
  - core to the Council's key objectives
  - impacting on key front-line services
  - impacting on key performance measures
  - otherwise of a high priority
- 4.3 The Discretionary Expenditure Review covered the following six budget heads:
- Staff Training and Conferences etc
  - Furniture, Fixtures and Fittings
  - Newspapers, Periodicals and Publications
  - Hospitality
  - Professional and Other Subscriptions
  - Council Publications (Hardcopy)

In each case, a number of factors were identified that should enable the Council to achieve savings and efficiencies without materially compromising the level and quality of front-line service provision. Some of the more prominent factors that were relevant across a number of the budget heads being reviewed were:

- lower numbers of staff due to voluntary early retirement and voluntary redundancy schemes
- better use of existing Council resources eg staff, property, IT etc
- greater use of online resources
- the closure of Tayside House, the move to Dundee House and the wider property rationalisation programme
- better value being achieved through improved procurement practices
- modernisation of Council services as part of the Changing for the Future Programme
- lower priority given to future spend in these areas compared to spend on front-line services
- more prudent use of remaining budgets in these areas

4.4 After taking into consideration the factors outlined above, a percentage target saving was identified and agreed for each budget head being reviewed. This percentage target saving was then applied against the current level of budget / actual spend. The resultant savings figures were then discussed with departments and adjusted where deemed necessary, in light of the feedback received.

4.5 The outcome of the review, in terms of agreed budget savings, is summarised at Appendix A. Savings totalling £265,000 in a full financial year have been identified, of which £196,000 are applicable to General Fund Services. These savings will be incorporated into the Provisional 2012/2013 Revenue Budget and will alleviate, to some extent, the pressure to identify savings in key front-line services. By definition, the savings should be in low priority / low impact areas.

4.6 The savings will be implemented with effect from 1 October 2011, resulting in part-year savings in 2011/2012.

## **5 POLICY IMPLICATIONS**

5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, and Equality Impact Assessment.

There are no major issues.

## **6 CONSULTATION**

6.1 All Chief Officers have been consulted in the preparation of this report.

## **7 BACKGROUND PAPERS**

7.1 None

**MARJORY M STEWART**

**DIRECTOR OF FINANCE**

**24 August 2011**

## CHANGING FOR THE FUTURE PROGRAMME

## DISCRETIONARY EXPENDITURE REVIEW

## Identified Budget Savings

Department / Division	Staff						
	Training, Conferences etc	Furniture, Fixtures & Fittings	Newspapers, Periodicals & Publications	Hospitality	Professional & Other Subscriptions	Council Publications (Hardcopy)	Total
	£000	£000	£000	£000	£000	£000	£000
Education	-	16	-	-	-	9	25
Social Work	14	-	-	2	1	8	25
City Development	8	2	4	1	2	9	26
Leisure & Communities	11	1	5	2	1	7	27
Waste Management	3	9	-	-	-	7	19
EHTS	2	1	-	-	3	1	7
Chief Executive	-	-	-	1	1	2	4
Press Office	-	-	-	-	1	4	5
Personnel	5	1	2	-	-	-	8
Information Technology	3	1	1	-	-	-	5
Admin & Legal	2	1	3	1	2	1	10
Architectural Services	3	4	3	1	-	-	11
Finance General	2	1	1	1	-	4	9
Fairer Scotland Fund	1	-	-	-	-	-	1
Employment Unit	1	-	-	-	-	1	2
NEC Project	-	-	-	-	-	1	1
Scientific Services	1	-	-	-	-	-	1
Finance Revenues	3	1	1	-	1	2	8
Other Housing	-	1	-	-	-	1	2
<b>Total General Fund</b>	<b>59</b>	<b>39</b>	<b>20</b>	<b>9</b>	<b>12</b>	<b>57</b>	<b>196</b>
Housing Revenue Account	-	39	-	-	-	14	53
Dundee Contract Services	3	13	-	-	-	-	16
<b>Grand Total</b>	<b>62</b>	<b>91</b>	<b>20</b>	<b>9</b>	<b>12</b>	<b>71</b>	<b>265</b>

