

## Appendix 5

**REVISED SCHEDULE OF SAVINGS – 2011/12**

<u>Reference</u>	<u>Service</u>	<u>2011/12 £'000</u>	<u>Full year effect £'000</u>
	<b><u>Cross Council savings</u></b>		
<b>C1</b>	Reduction in management costs	6,475	7,250
<b>C2</b>	Communications, performance & partnership	1,250	1,250
<b>C3</b>	Reduction in business infrastructure costs	3,250	3,250
<b>C7</b>	Reduction in the casual mileage allowance	88	88
<b>C8</b>	Further savings in democratic services	<u>110</u>	<u>110</u>
		<b><u>11,173</u></b>	<b><u>11,948</u></b>
	<b><u>Economy and Environment</u></b>		
<b>EE1</b>	Increase of investment in the economy	(100)	(100)
<b>EE2</b>	Closure of tourist information centres	175	200
<b>EE3</b>	Waterside Pool transfer / closure	150	250
<b>EE4</b>	Reduce spend on parks and gardens	200	200
<b>EE5</b>	Reduce maintenance of public toilets	90	250
<b>EE6</b>	Cease direct provision of lifeguards	100	100
<b>EE6.5</b>	Funding for lifeguard training and support	(25)	(25)
<b>EE7</b>	Cease Wight Bus	75	150
<b>EE8</b>	Additional income from Chain Ferry	20	20
<b>EE9</b>	Cease Ventnor & Newport fire station builds	220	500
<b>EE10</b>	Fire control centre merger	125	250
<b>EE11</b>	Additional funding for public transport needs	<u>(100)</u>	<u>(100)</u>
		<b><u>930</u></b>	<b><u>1,695</u></b>
	<b><u>Community Well Being and Social Care</u></b>		
<b>CS1</b>	Removal of direct provision of general care	200	837
<b>CS2</b>	Re-provide in-house homecare	125	464
<b>CS3</b>	Reduce care management costs	80	330
<b>CS4</b>	Adjust adult social care eligibility criteria	1,000	1,600
<b>CS5</b>	Changes to adult social care charging policy	1,500	2,000
<b>CS6</b>	Ventnor Botanic Gardens / Dinosaur Isle	82	325
<b>CS7</b>	Review of library services	350	500
<b>CS8</b>	Review of archives and museums	<u>50</u>	<u>200</u>
		<b><u>3,387</u></b>	<b><u>6,256</u></b>
	<b><u>Education</u></b>		
<b>ED1</b>	Schools advice and support	750	750
<b>ED2</b>	Children and youth related activity	<u>1,300</u>	<u>1,300</u>
		<b><u>2,050</u></b>	<b><u>2,050</u></b>
	<b>Total savings per final proposals</b>	<b>17,540</b>	<b>21,949</b>
	<u>Provision for redundancy costs and slippage</u>	(574)	
	<u>Unallocated provision from C6 below</u>	(123)	
	<b><u>Further savings</u></b>		
<b>C4</b>	Capital financing savings and increased income net of parking and children's carry forward budget issues	50	<u>(750)</u>
<b>C5</b>	Further reduction in costs	450	
<b>C6</b>	Provisional allocation re New Homes Bonus	<u>490</u>	
	<b>Overall net savings Total</b>	<b>17,833</b>	<b>21,199</b>
			<u>+ 3,366</u>

**SUPPORTING INFORMATION**

<b>Ref</b>	<b>Proposal</b>	<b>2011/12 £'000</b>
<b>C1</b>	<b>Reduction in management costs</b> A revised senior management structure to be implemented. This will reflect the changing nature of the organisation and the services that will continue to be delivered. Full implementation will be achieved by 31 March 2012. There will be a 36% cost reduction with a deletion of 38 senior management posts from 103 to 65 and a 33% reduction in other principal officer graded posts. The proposals have been fully consulted on with staff and unions and have been agreed to by the Employment Committee. Furthermore a Cabinet Member delegated decision has now been made to implement these changes, to which no representations were made.	6,475
<b>C2</b>	<b>Communications, performance and partnership</b> A review and restructuring of these areas was completed and a new structure came into place on 4 January 2011. This leads to a reduction in spend and posts of 50% with a full year effect in 2011/12 and a saving of £1.250m.	1,250
<b>C3</b>	<b>Reduction in business infrastructure costs</b> This includes savings carrying forward from the transformation programme covering accommodation rationalisation, shared services, procurement activity, ICT, HR, finance and support cost.	3,250
<b>C7</b>	<b>Reduction in the casual mileage allowance</b> This incorporates the proposal put forward under IND3 of the Independent Group alternative budget to reduce the casual mileage allowance from 46.9p to 40p per mile in line with the HMRC tax exempt rate. Following advice from officers, it is proposed to implement this with immediate effect from 1 April 2011.	88
<b>C8</b>	<b>Further savings in democratic services</b> This includes: <ul style="list-style-type: none"> <li>• a £13k saving in civic expenditure, primarily from not having the car;</li> <li>• a £47k saving through staffing changes in Members' Support;</li> <li>• a £50k saving based on a reduced spend in members' allowances; a reduction in members' subsistence and off island travel (based on 2010/11 usage); and savings on memberships of outside organisations.</li> </ul>	110
		<b>11,173</b>
<b>EE1</b>	<b>Increase of investment in the economy</b> An element of this funding will be required to support the Solent Local Enterprise Partnership. It is intended that that balance is used to fund business support initiatives on the Island in light of the closure of Business Link and other business support agencies.	(100)

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<b>EE2</b>	<p><b>Closure of tourist information centres</b></p> <p>The Council is in advanced discussions with the private sector with regards to undertaking a role in the provision of information to visitors, and Southern Vectis has already announced a service it plans to deliver to this effect. This will not be in the form of the existing Tourist Information Centres, nor will it provide the range of services provided in the TICs, but will be an additional service provided through operators' current facilities and staff.</p> <p>The existing tourist information centres will close on 31 March 2011.</p>	175
<b>EE3</b>	<p><b>Waterside Pool transfer / closure</b></p> <p>This revised proposed saving figure for 2011/12 takes into account the proposal that has been submitted by a Ryde group with a view to keeping Waterside Pool in operation. This proposal embraces a wider potential transaction than the pool building and will take time to assess and to clarify in its impact on Council finances. This reduced level of saving for 2011/12 (£100k) is to be met by further savings in democratic services, as set out in C8 above.</p>	150
<b>EE4</b>	<p><b>Reduction spend on parks and gardens</b></p> <p>This saving has been delivered through the recent contract negotiations that were undertaken as part of letting the new grounds maintenance contract.</p>	200
<b>EE5</b>	<p><b>Reduce maintenance of public toilets</b></p> <p>This revised proposed saving figure for 2011/12 should be read in conjunction with the paper – <a href="#">Public Convenience Review</a> – which will be considered by Cabinet on 1 March 2011. This reduced level of saving for 2011/12 (£10k) is to be met by further savings in democratic services, as set out in C8 above.</p>	90
<b>EE6</b>	<p><b>Cease direct provision of lifeguards</b></p> <p>The provision of lifeguards is non-statutory. The Council will work with town and parish councils and other groups who wish to support lifeguard provision in their area, however the Council will no longer have a direct involvement in this provision.</p>	100
<b>EE6.5</b>	<p><b>Funding for lifeguard training and support</b></p> <p>In line with the commitment outlined above to work with town and parish councils and other groups in the development of lifeguard provision in their areas, this funding is being made available to assist with training and support in Ryde, Sandown, Shanklin and Ventnor. More details on how this funding will be made available will follow. This funding allocation (£25k) is to be drawn from the saving achieved through the reduction in the casual mileage allowance, as set out in C7 above.</p>	(25)
<b>EE7</b>	<p><b>Cease Wight Bus</b></p> <p>It is proposed to cease the Wight Bus service from 31 August 2010. The Council directly subsidises the Wight Bus service in the sum of £150k per annum. If the service continued, this sum would be likely to increase given the reduction in the level of funding available for contracted services, from which Wight Bus benefits, as well as the reduction in demand from adult</p>	75

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	services.	
<b>EE8</b>	<p><b>Additional income from Chain Ferry</b></p> <p>The original proposal to introduce passenger charges on the Chain Ferry will not be implemented. However it is projected that additional income of £20k will still be generated due to the increase in charges for vehicles and the reduction in the discount offered on multi-tickets. This reduced level of income for 2011/12 (£180k less from not introducing passenger charges) is to be met by £117k funding drawn from the provisional New Homes Bonus allocation (C6, as set out further below) along with £63k funding from the saving achieved through the reduction in the casual mileage allowance (C7, as set out further above).</p>	20
<b>EE9</b>	<p><b>Cease Ventnor &amp; Newport fire station builds</b></p> <p>Provision was made in the capital programme for the capital cost of rebuilds for Ventnor and Newport fire stations at £7.7m. The achievement of modernisation was not dependent upon the rebuilds and by putting the spend on hold will save capital financing costs of £220k in 2011/12 and £500k in a full year.</p>	220
<b>EE10</b>	<p><b>Fire control centre merger</b></p> <p>This project is underway as agreed by Cabinet earlier in the year. A decision on the final business case will be made by the Cabinet Member during March 2011.</p>	125
<b>EE11</b>	<p><b>Additional funding for public transport needs</b></p> <p>This seeks to incorporate the proposal put forward under IND25 of the Independent Group alternative budget to provide new funding to support rural bus services with community-led bus projects to mitigate effects of the withdrawal of services. This additional funding would complement the money already allocated to supporting the provision of services where the commercial operator may not provide, and would be used support either community bus initiatives or the continuation of subsidised bus services where considered appropriate. This additional funding allocation (£100k) is to be drawn from the provisional New Homes Bonus allocation (C6), as set out further below.</p>	(100)
		<b>930</b>
<b>CS1</b>	<p><b>Removal of direct provision of general care</b></p> <p>In the current year the main focus will be on reducing the cost base while retaining quality of delivery while also identifying and implementing opportunities for increased income generation.</p> <p>At the same time officers will be exploring possible options for transferring these services to alternative management arrangements.</p>	200
<b>CS2</b>	<p><b>Re-provide in-house homecare</b></p> <p>In the current year the main focus will be on reducing the cost base while retaining quality of delivery while also identifying and implementing opportunities for increased income generation.</p> <p>At the same time officers will be exploring possible options for transferring</p>	125

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	these services to alternative management arrangements.	
<b>CS3</b>	<b>Reduce care management costs</b> As personal budgets become the norm the role of care management in organising and monitoring care provision will be significantly reduced.	80
<b>CS4</b>	<b>Adjust adult social care eligibility criteria</b> Raising the eligibility threshold for adult social care services to critical while focussing support for those with substantial needs on their areas of greatest risk will reduce expenditure on this group by £1m while still investing £6.3m to support them.	1,000
<b>CS5</b>	<b>Changes to adult social care charging policy</b> Additional income will be generated by: <ol style="list-style-type: none"> <li>1. Removing the entitlement to free homecare for people aged over 80;</li> <li>2. Applying the charging policy to all people receiving adult social care support on an equitable basis regardless of their age or the nature of their disability;</li> <li>3. Charging against either the value of the “personal budget” or the actual cost of services delivered;</li> <li>4. Removing an upper charge limit for those who are able to afford it.</li> </ol>	1,500
<b>CS6</b>	<b>Ventnor Botanic Gardens</b> Staffing restructure, expenditure reductions and increased income generation will rebase the Garden’s budget in the coming year. This rebasing is being undertaken in conjunction with the Advisory Group, to ensure a community-led business plan for the future.  <b>Dinosaur Isle</b> This museum service site should be outsourced in the financial year 2011/12 and not require ongoing subsidy from the Council.	82
<b>CS7</b>	<b>Review of library services</b> This revised proposed saving figure for 2011/12 (and the revised figure for a full year effect) should be read in conjunction with the paper – <a href="#">The Future of the Island’s Library Service</a> – which will be considered by Cabinet on 1 March 2011. This reduced level of saving for 2011/12 (£150k) is to be met by funding drawn from the provisional New Homes Bonus allocation (C6), as set out further below.	350
<b>CS8</b>	<b>Review of archives and museums</b> The Review will involve external experts from The National Archive and the Museums, Libraries and Archives Council, working with officers to develop a set of proposals for the Island’s heritage service. Key stakeholders will be consulted on these proposals. It should be remembered that Dinosaur Isle and Newport Roman Villa are also covered by this Review, because they are two of the Council’s four accredited museums.	50
		<b>3,387</b>
<b>ED1</b>	<b>Schools advice and support</b> The greater freedom given to schools regarding curriculum and school leadership means the requirement for the current size of school	750

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	improvement team will lessen and fewer staff will be employed (saving (£0.5m). The full cost of school support services (e.g. payroll, legal advice) will be charged thus removing any residual subsidy (this has been reducing over time since 2007).	
<b>ED2</b>	<b>Children and youth related activity</b> The Government has previously funded a range of support activities (e.g. extended schools, parenting support) for children, young people and their parents. This is being replaced by the Pupil Premium which schools will allocate and for which they will be publicly accountable. The Council has invested in staffing and infrastructure to support these grants and this will now be ceased unless schools choose to purchase these support services at full cost.	1,300
		<b>2,050</b>
<b>C4</b>	<b>Capital financing savings and increased income</b> Reduction in capital financing costs as a result of the reduction in capital spend in previous years, the reduction of interest costs as a result of treasury management strategy and reduction in Leisure improvement programme. In 2011/12 this amounts to £2.25m. This will reduce as external financing replaces use of internal funds. Increased income from charges agreed from 4 January 2011 is projected at £300k. To offset these savings there is a need to reduce the parking income budget to a level that matches likely income, projected to be some £1m and to offset a number of budget pressures in the previous children and young people services directorate that have been contained in 2010/11 by one-off measures of some £1.5m.	50
<b>C5</b>	<b>Further reductions in costs</b> The triennial revaluation of the local government pension fund and employers contribution has recently been completed. Previously it had been assessed that there would need to be a further increase in the Council's employer contribution of 1% or higher effective from 1 April 2011. Provision was made for 1% (£450k). Although still to be finalised the adoption of a medium-term stabilisation strategy would mean that the contribution could be maintained to the existing level in the next two years.	450
<b>C6</b>	<b>Provisional allocation re New Homes Bonus</b> On 17 February 2011 the Government announced the Isle of Wight's allocation of £490k for 2011/12 under the New Homes Bonus initiative. This is a provisional allocation and may be subject to change. However the Government has indicated that this bonus payment can be used to address local priorities, and have called on councils to consult residents to agree how this funding is used to meet local needs. It is proposed that £367k of this provisional allocation is used to support revised priorities in EE8 (£117k), EE11 (£100k) and CS7 (£150k), which are areas in which the Council has already received public feedback. The remainder of £123k of the New Homes Bonus funding (subject to final allocation) will be allocated to priorities in due course, following further consultation with the public.	490