

COUNCIL – 27 FEBRUARY 2018

BUDGET AND COUNCIL TAX 2018/19

PROPOSED VARIATION TO THE BUDGET SUBMITTED BY COUNCILLOR A C SAFFELL

We have an opportunity to have a complete change of direction, the Medium Term Financial Strategy shows us having to use significant funds from reserves in future years even if there are no adverse changes to the New Homes Bonus or Business Rates.

I have been monitoring the headcount of NWLDC over the last 10 years and even though we have adopted a number of cost saving initiatives such as sharing services with other local authorities our number of permanent staff Full Time Equivalents (FTE's) has remained at around the 450 mark and Agency Staff numbers have risen significantly. If we have cut back on supplying some services to reduce costs what are all these staff doing?

The suggestion is that we should over the next 6 months shed 20% of FTE's across the whole organisation and Agency Staff cut to a bare minimum certainly less than 10. As the staff budget is by far the largest part of Council expenditure it is the area that has most effect on spending. Some corporations have a policy of having a 20% cut in staff numbers every 5 years, they show a positive effect on performance with staff being offered increased chances for promotion and immediate efficiency gains. During these reductions managers are tasked with putting together plans to show how they will deliver their targets with the lower staffing level. There is a great deal of evidence to show that companies who carry out this policy are among the most efficient and profitable in the country. I believe that our situation is now such that we need to adopt this policy.

Over the last 10 years in spite of all the money saving initiatives, like shared services, FTE staff numbers have remained high, I don't have complete records for the numbers of agency staff for every year, however the numbers and costs of the staff supplied by agencies is unrealistically high.

2008/09	489
2009/10	480
2010/11	460
2011/12	456
2012/13	466
2013/14	462
2014/15	451 + 32 Agency
2015/16	443 + 70 Agency
2018	480 + 55 Agency

FTE Staff costs without any reductions this year will be:- £16,413,301

Agency Staff Costs will be:- £1,176,066

So the total assumed establishment costs this year will be:- £18,173,368

A 20% reduction across the board will produce a yearly saving of:- £3,634,674

There will of course be a cost in the first year to cover redundancy and pension costs, to come up with an accurate figure is very difficult but in discussions with Tracy Ashe and Mike Murphy a very approximate figure of £1,000,000 could be somewhere near the final cost.

If we had a 2% increase in the Council tax over the last 10 years instead of the 0% we have had we would be approximately £3.5m to the good and we would not be having the problems foreseen in the MTFs, my suggestion does raise a similar level of available funds.

I therefore recommend the following amendment to the suggested budget:

Recommendation 3 be amended to read as follows: (amended wording shown in bold)

To approve the General Fund revenue budget for 2018/19, **subject to an across the board 20% reduction of establishment costs.**

Tony Saffell