

## Strategy and Resources – September 2024

### Appendix D – 2 Year Savings plan

## FTP2 - Aligned Savings plan

Area	Actions	2 yr target ('000s)		Original Target 2025-26	Latest estimate 2025-26 (Aug 24)	Original Target 2026-27	2 yr Total (Cum)	Source of saving	Lead
		Min	Stretch	'000s	'000s	'000s	'000s		
<b>Finance led</b>		<b>£600</b>	<b>£1,200</b>	<b>£325</b>	<b>£600</b>	<b>£500</b>	<b>£1,100</b>		
<b>Budget risk review (Squeeze)</b>	Review budget to identify areas of underspend or peripatetic spend which can be removed from core budgets; money released from Service Capacity Fund if/as needed.	£150	£300	£100	£300	£100	£400	Mix of staff and other costs	Budget Steering Group
<b>Workforce management (staff spend control)</b>	Review of consultancy and interim roles, vacancy factor. If necessary, consider opportunities not to fill vacant roles.	£100	£200	£50	£50	£50	£100	Staff costs	
	Flex staff budgets in line with change in demand. Money released from Service Capacity Fund if/as needed.							Staff costs	
<b>Corporate cost avoidance and pressure management</b>	Anticipate & identify, pro-actively manage corporate pressures to minimise impact and avoid costs. Savings against assumption of £500k per yr (incl pay award, incremental drift, inflation).	£100	£200	£50	£0	£100	£100	Mix of staff and other costs	
<b>Revenue generation (fees and charges)</b>	Fees and Charges - areas which offer opportunity for above inflation increase; supporting resource/cost model and link to elasticity of demand.	£100	£200	£50	£150	£75	£225	Additional revenue	
<b>Revenue generation (commercial activity)</b>	Review of commercial opportunities & growth in income. growth, including. Includes Asset Strategy and traded services for potential to grow profitably.	£100	£200	£75	£100	£125	£225	Additional revenue	
<b>Improve Value from External Spend</b>	Review of existing contracts to identify areas of savings & maximise value for money.	£50	£100			£50	£50		

#### Update

1. Budget risk review - has identified savings at the high end of forecast = £300k+
2. Pressures – review indicates that all £500k assumed spend will be needed ( eg loss of wellbeing service overhead recovery = £160k)
3. Revenue generation - Fees & Charges – desktop review complete; indicates overachievement of target in 25/6 = £150k+
4. Revenue generation - Commercial - desktop review complete; indicates overachievement of target in 25/6 = £100k+
5. Service capacity fund of £320k to be used to mitigate risk if savings not achieved.

#### Next Steps

1. Workforce – baseline data for 24/5 completed - Identify / review of interim roles / vacancies
2. Procurement review to be developed – no target set for 2025/6

# Revenue Generation

## Fees and Charges review

1. **Key principle = charges reflect full costs of service provision**
2. Total of £4.7m includes some areas “out of scope” (eg CIL)
3. 2% increase in charges on income not controlled by TDC
4. 5% increase in charges on income controlled by TDC
5. 6.5% increase in Garden Waste charge
6. Subject to further detailed analysis with services

Committee	Income	Increase	Var
Strategy	£277,170		
Planning	£2,387,336		
Housing GF	£156,669		
Comm Services - shared	£233,380		
Comm Services	£1,680,359		
<b>Total</b>	<b>£4,734,914</b>		
<b>Out of scope</b>	<b>£1,015,749</b>	<b>0.0%</b>	<b>£0</b>
Total in scope	£1,535,329	2.0%	£30,707
Total in TDC control	£1,052,436	5.0%	£52,622
Garden Waste	£1,131,400	6.5%	£73,948
<b>Total fees &amp; charges</b>			<b>£157,276</b>

## Revenue growth review

1. Identified opportunities of c£100k to date
2. Most immediate areas in waste services account for most of this

Prioritised revenue generation opportunities - July 2024		H=£100k + M=£25k+		
Proposal title	Category	Potential (H/M/L)	Risk	HRA / General Fund (G)
Garden Waste	Waste	H	M	GF
Recycling collections - increase revenue	Waste	L	L	GF
Charge for contaminated bin collections	Waste	L	L	GF
Commercial waste service	Waste	L	L	GF
Bulky waste service	Waste	L	L	GF

3. Other revenue generation opportunities will continue to be developed which may add additional income.
4. The development of these will become more important from Yr 2 onwards.

## FTP2 - Aligned Savings plan

Area	Actions	2 yr target ('000s)		Original Target 2025-26	Latest estimate 2025-26 (Aug 24)	Original Target 2026-27	2 yr Total (Cum)	Source of saving	Lead
		Min	Stretch	'000s	'000s	'000s	'000s		
<b>FTP2 Themes / Transformation</b>		<b>£500</b>	<b>£1,000</b>	<b>£350</b>	<b>£275</b>	<b>£350</b>	<b>£625</b>		
<b>Discretionary spend review</b>	Target a level of saving and make choices explicit. Explore options for Asset transfer and/or service reduction. Review Freedom Leisure agreement.	£300	£500	£200	£200	£200	£400	Mix of staff & support to third parties	TOM group
<b>Digital - Customer experience and Ways of Working</b>	Realise benefits from reduced contact in Phase 1. Phase 2 to focus on (i) wider customer contact management (ii) staff productivity through digital ways of working	£150	£300	£100	£75	£75	£150	Staff costs	Digital Project Board
<b>Shared Services</b>	Review of current and potential activity against a shared services assessment framework	£50	£200	£50		£75	£75	Mix of staff and other	TOM group
<b>Service led</b>		<b>£300</b>	<b>£700</b>	<b>£225</b>	<b>£200</b>	<b>£150</b>	<b>£350</b>		
<b>Service identified opportunities</b>	Review of service led opportunities previously identified and any new ones which emerge from discussions. Services to propose savings opportunities.	£200	£400	£150	£100	£150	£250	Mix of staff and other costs	HOS
<b>Service cost avoidance and pressure management</b>	Anticipate & identify, pro-actively manage service pressures to minimise impact and avoid costs. Savings are against starting assumption built into budget of £500k per yr (contract inflation, increased demand, regulatory impact).	£100	£300	£75	£100	£0	£100	Mix of staff and other costs	

### Update

1. Discretionary Spend – options appraisal in progress; saving held at target level due to future MTFS pressures
2. Digital – slightly more cautious approach to benefits realisation
3. Shared Services – reduced saving to nil in 2025-26, pending review
4. Service led – reduced service led savings target to £100k
5. Service pressures – review indicates that a minimum saving of £100k can be achieved against the £500k assumed

## Discretionary Spend review

New Service	Type				Options under review					Indicative only	RAG	Comments / areas to explore
	Non Pay	Pay	Income	Total Net Budget	Revenue increase	Budget / Cost review	Alternate funding	Asset Transfer	Service reduction	2 Yr Target		
Car Parking Off-Street	£189,000		-£139,800	£49,200	Yes	Yes				£50,000		Minimum achieve breakeven - optimise income / permits / costs
Cemetery Services	£30,550	£6,800	-£26,000	£11,350	Yes	Yes				£15,000		Increase in income target
Childrens Playground Maintenance	£110,396			£110,396		Yes	Yes	Yes	Yes	£40,000		Reduction in Maintenance costs and Council financial support to some playgrounds
Hackney Carriage/Private Hire	£69,000		-£87,600	-£18,600	Yes	Yes						May be potential for increased income
Leisure & Community Grants	£219,000		-£20,200	£198,800		Yes	Yes		Yes	£100,000		Reduction in level of grants, re-commission the service and seek alternate funding
Parks & Open Spaces	£795,350	£379,100	-£327,700	£846,750	Yes			Yes	Yes	£120,000		Increase in existing leases to reflect full costs / transfer of responsibility to parish councils
Public Conveniences	£67,600	£32,400		£100,000		Yes		Yes	Yes	£25,000		Reduce costs / rationalise
Leisure centres					Yes					£50,000		Renegotiate leases with FL to take advantage of VAT agency
	<b>£1,787,496</b>	<b>£563,100</b>	<b>-£1,090,610</b>	<b>£1,259,986</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£400,000</b>		

- Current target is to reduce spend by £200k in 2025-26 and a further £200k in 2026-27
- Phasing (25-6 vs 26-7) could be dampened using one-off funding but the underlying MTFs position requires savings at this general level
- Numbers shown against options are indicative to inform discussion about priorities and the principles to guide decision making.