

2003-2005 BUDGET STRATEGY

CHIEF EXECUTIVE'S OFFICE

1. CURRENT BUDGET

The Chief Executive's Office has a current budget of £2.7m made up of four main elements.

Chief Executive's Management Team	£ 445,000
Policy & Performance Unit	£1,060,000
Communications Unit	£ 468,000
Leicester Promotions	£ 743,000

Of this £1,204,000 are employee costs and £1,577,000 are running costs of which £132,000 relates to six voluntary projects currently being transferred to service departments, £743,000 is the Leicester Promotions grant, £203,000 is for Leicester Link and £28,700 is for Face the staff magazine, leaving £470,000 for general running costs.

2. ORIGINAL BUDGET STRATEGY

The 2000-2003 budget strategy required the Chief Executive's Office to make savings in the order of £500,000 over three years.

The savings identified to date include:

1.	Ceasing to fund the African Caribbean Youth Project	£111,000
2.	Reduced funding to Leicester Promotion over three years	£140,000
	2000/01	£15,000
	2001/02	£70,000
	2002/03	£140,000
3.	Reduced levels of inflation on Voluntary Projects	£6,000
4.	General Efficiency Savings	£69,000
5.	Savings from the Office Review	£272,000
6.	Less permanent growth	(£33,000)
		<u>£574,000</u>

In the 2001-2002 budget, a sum of £292,000 was provided in the budget to meet the temporary costs of Best Value over two years, £75,000 of the additional review savings and £217,000 of underspends from 2001/02.

This paper deals with two sets of issues, the implementation of the final year of 2000-2003 budget strategy and proposals for the 2003-2005 strategy. A summary of the overall budget strategy is shown in Appendix 1.

3. IMPLEMENTING THE 2001-2003 PROPOSALS

a) Leicester Promotions Limited

The three year strategy means that next year will see the largest reduction in the LPL budget (a further £70,000 reduction). This was the strategy agreed with the company and approved by Council, however it will be necessary to redefine the priorities agreed between the council and the company in next year's business plan.

b) Implementation of the Office Review (Policy & Performance Unit)

The review last year required a residual sum of £66,000 to be saved next financial year in the form of a further planned reduction of 2.5 posts. This delay in implementation was designed to cope with current pressures on the unit around the modernisation agenda. Added to this the recruitment process and the outcome of appeals against some grades has increased the staffing budget by approximately £33,000 which will be met from compensating savings in the running cost budgets. The current establishment is shown in Appendix 2. This does mean it will be necessary to identify which areas of work in the work programme of the unit are a low priority. Support for the Revitalising Neighbourhoods Project has been funded elsewhere in the budget strategy.

c) Temporary Support to Best Value

The office review yielded £75,000 of additional savings which were temporarily allocated to Best Value for one year. There is no indication at present that Best Value cannot be managed within the resources now available both permanently and temporarily for a further year. This permanent saving of £75,000 therefore will enable the office meet it's original budget target and make a part contribution to the new planning target.

4. 2002-05 BUDGET STRATEGY

a) Overall Strategy

The new planning target has set a revised cash limit requiring a further saving of £105,000 over the next three years. Whilst it is possible to achieve further efficiency savings in the first year of £27.7 from the Supplies and Services budget and without further impact on staffing, further savings of £55,000 and £41,000 in the next two years are significant sums given the overall scale of the supplies and services budget. It should be noted that the reason the office supported a fundamental staffing review was to avoid incremental budget reductions each year. It will

therefore be necessary to consider further staffing reductions over the next two years to meet the revised target.

b) Grant Aided Projects

The office is currently responsible for six grant aided projects.

LREC	£37,000
Domestic Violence Project	£26,000
Centre for Integrated Living	£30,500
Leicester Council of Faiths	£19,400
Pakistan Youth & Community Association	£10,000
Irish Forum	<u>£10,000</u>
	<u>£132,900</u>

These projects are currently being transferred to service departments and have not been reviewed as part of the budget strategy, However, the Centre for Integrated Living whose transfer has yet to be agreed are seeking an increase in grant of £6,517.

Growth has been included at £6,000 in the ongoing budget to meet this shortfall.

c) African Caribbean Forum

A bid has been received from the forum for £137,000 per annum to support the forum and work with the African Caribbean community.

One year growth of £40,000 has been included in the budget to maintain support to the forum pending the completion of the Business Plan.

d) General Community Development Review

A one off sum of £100,000 has been included in the budget to meet the costs of community development initiatives in the city.

Martyn Allison
Assistant Chief Executive

February 2002

Chief Executive's Office

APPENDIX 1

Revenue Budget 2002/03 to 2004/05 - Spending &
Resource Forecast

	2002/03	2003/04	2004/05
	£000	£000	£000
2002/03 Cash Target	2,476.3	2,476.3	2,476.3
Centre for integrated living	6.0	6.0	6.0
Additional community development resource	100.0	0.0	0.0
Afcab	40.0	0.0	0.0
Add Total Service Enhancements	146.0	6.0	6.0
Add Total Decisions already taken	0.0	0.0	0.0
Add Total Other	0.0	0.0	0.0
Sub Total - Growth	146.0	6.0	6.0
Less Total Service Reductions	0.0	0.0	0.0
Less Total of Decisions already taken	0.0	0.0	0.0
Savings from the Procurement BV review	0.7	0.7	0.7
Savings from the Communications and Promotions BV review	15.0	15.0	15.0
Savings from the Customer Care BV review	2.5	2.5	2.5
General efficiency savings	9.5	9.5	9.5
Less Total Efficiency/Restructuring Savings	27.7	27.7	27.7
Less Total Other	0.0	0.0	0.0
Sub Total - Reductions	27.7	27.7	27.7
TOTAL	2,594.6	2,454.6	2,454.6
Planning Total (2002/03 Price Base)	2,594.6	2,400.0	2,358.8

Compare the effect of the above proposals:	2,594.6	2,454.6	2,454.6
Gap	0.0	(54.6)	(95.8)

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CHIEF EXECUTIVE'S OFFICE ESTABLISHMENT**Policy & Performance Unit**

Head of Policy & Performance	1	
Head of Performance & Best Value	1	
Policy Officers	15.58	Excludes 1 temp Best Value
- permanent		2 temp Revitalising
- temporary(6/03)	1	Neighbourhoods
Policy Assistants	2	
Admin & Clerical Support	<u>4.45</u>	Excludes <u>0.54</u> temp Best Value
	<u>24.03</u>	<u>2.54</u>

Communications Unit

Communications Manager	1
Media Relations Manager	1
Senior Press Officer	1
Press Officer	1
Public Relations Manager	1
Public Relations Officer	1
Publications Manager	1
Publications Officer	1
Communications Assistant	<u>1</u>
	<u>9</u>

Departmental Management Team

Chief Executive	1
Assistant Chief Executive	1
PA/Secretary	<u>2</u>
	<u>4</u>
Total permanent	37.03
Total permanent following implementation of review	34.8