

CHIEF EXECUTIVE'S OFFICE

THREE YEAR BUDGET STRATEGY 2003 – 2005

1. Current Budget

The Chief Executive's Office has a current budget of £2.6m made up of four main elements:

Chief Executive's Management Team	367,700
Policy & Performance Unit	905,000
Communications Unit	482,900
Leicester Promotions	673,000
Community Development Projects	146,000

Of this £1,245,000 are employee costs and £1,414,000 are Supplies & Service costs made up principally of:

Leicester Promotions	673,000
Leicester Link	212,000
Face	29,000
Other Supplies & Services	405,000

The Community Development projects are one year funded for 2002/03.

2. Previous Three Year Strategy

The 2000 – 2003 budget strategy saw the office make savings in the order of £500,000 over three years. This included three key elements; ceasing to fund the African Caribbean Youth Project (£110,000), reductions in funding to Leicester Promotions (£110,000) and savings as a result of the Structural Review. (£272,000) A total of £292,000 was provided from these savings to meet the temporary additional costs of Best Value. These resources will be fully utilised by March 2003.

As a result of the staffing review the office has been reduced to 35 permanent posts. These have been supplemented by various short term positions supporting Best Value (till March 2003) and Revitalising Neighbourhoods (to July 2004) (see Appendix 1)

3. Budget Strategy 2002 – 05

The Council's new budget strategy requires a further reduction in the Chief Executive's Office of £132,300 over three years of which £28,000 was found last year from efficiency savings. The remaining £104,300 will need to be found over the remaining two years. On a pro-rata basis the required savings are as follows:

	2003/04	2004/05	Total
Directorate	9,700	6,000	15,700
Policy & Performance	23,200	15,400	38,600
Communications	12,600	8,200	20,800
Leicester Promotions	<u>17,600</u>	<u>11,600</u>	<u>29,200</u>
	63,100	41,200	104,300

4. Increased Budget Demands

a) Best Value

The temporary resources allocated for Best Value will cease in March 2003. These resources have been used to support Best Value Reviews including stakeholder consultation and independent consultee, fund a full time Trade Union Secondment and provide additional policy officer & administrative support. It was believed that after two years Best Value will be sufficiently engrained into the management processes that further support would not be required. A review of Best Value has taken place against the background of the CPA results announced in December. In the light of the outcome of this it is not necessary to consider further funding to support Best Value. Representatives of the Trade Unions have however indicated that they would wish to continue with the co-ordinator post at a cost of about £15,000 pa (depending on the level of the secondee).

b) African Caribbean Forum

The forum are still seeking support from the Council to provide core funding for the forum based on the business plan produced last year. Temporary support of £40,000 for one year was provided last year. Ongoing support of £40,000 has been requested by the forum as pump priming towards a European funding package of £123,000.

The revenue strategy includes £10,000 ongoing funding to support the forum.

5. Proposals for Budget Reductions

1. Leicester Promotions Limited

Discussions have begun on the content of a new contract between Leicester Promotions and Leicester City Council. The contract will begin in April 2003 and will focus their work on the agreed Visitor Development Strategy (VDS) and associated tourism initiatives.

Notwithstanding this it is proposed to reduce the contract sum by £17,600 in 2003/04, rising to £29,200 by 2004/05.

2. Chief Executive's Office Structure

Although it was possible to achieve efficiency savings last year of £28,000 this approach is not sustainable over the next two years. Further reductions of the

scale required cannot be achieved in this way. Staffing reductions will be required to meet the overall reduction target and this would significantly reduce the range of work carried out in the office. Given that capacity will already be reduced by the fall out of the Best Value resources and the commitment to provide 1.5 posts to the Local Strategic Partnership a serious prioritisation exercise would need to take place between supporting Best Value & Performance Management post CPA, supporting and developing the equality and diversity agenda, general strategic corporate policy work and the areas of potential growth identified earlier.

Revitalising Neighbourhoods identified Policy & Performance as an area where there was a need to review the synergy across the council. The exercise has not yet commenced but could examine the overall level of resourcing across the Council for the policy & performance function.

It is proposed, therefore, to reduce the establishment of the Policy and Performance Team by £15,000 in 2003/04, rising to £30,000.

6. Summary of Budget Proposals

Given the overall budget position no growth items have been included in the budget proposals for the next two years.

Savings over the next two years will be made from the following areas:

2003/04

Withdraw from the Local Government Information Unit	17,000
Reduction in Leicester Promotions contract	17,600
Addition Income Leicester Link & Efficiency Savings Communications	12,600
Staffing reduction Policy & Performance team	15,000
General Efficiency savings	<u>900</u>
Total	<u>63,100</u>

2004/05

Further reduction in Leicester Promotions contract	11,600
Staffing reductions Policy & Performance team	15,000
Additional Income Leicester Link & Efficiency savings	8,200
Unidentified savings	<u>6,400</u>
Total	<u>41,200</u>

M. Allison
Assistant Chief Executive

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

Head of Policy & Performance	1	
Head of Performance & Best Value	1	
Policy Officers - permanent	14.12	Excludes 1 temp Best Value 5.5 temp Revitalising Neighbourhoods
Policy Assistants	2	
Admin & Clerical Support	<u>3.89</u> <u>22.01</u>	Excludes <u>1.0</u> temp Best Value <u>7.5</u>

Communications Unit

Head of Communications	1	
Media Relations Manager	1	
Senior Press Officer	1	1 temp Revitalising Neighbourhoods
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	35.01	

Appendix 2

Chief Executive's

Revenue Budget 2003/04 to 2004/05 -
Spending & Resources Forecast

	2003/04	2004/05
	£000	£000
2003/04 Cash Target	2,522.1	2,522.1
Add Total Service Enhancements	10.0	10.0
Add Total Decisions already taken	0.0	0.0
Add Total Other	0.0	0.0
Sub Total - Growth	10.0	10.0
Less Total Service Reductions	49.6	76.2
Less Total of Decisions already taken	0.0	0.0
Less Total Efficiency/Restructing Savings	13.5	21.7
Less Total Other	0.0	6.4
Sub Total - Reductions	63.1	104.3
TOTAL	2,469.0	2,427.8
Planning Total (2003/04 Price Base)	2,469.0	2,427.8

Chief Executive's Department**Revenue Budget - Budget Growth**

	2003/04	2004/05	2005/06
<u>Service Enhancements</u>			
1 African Caribbean Forum	10.0	10.0	10.0
Total Service Enhancements	10.0	10.0	10.0
<u>Decisions already taken</u>			
Total Decisions already taken	0	0	0
<u>Other</u>			
Total Other	0	0	0
TOTAL GROWTH	10.0	10.0	10.0

Chief Executive's Department**Revenue Budget - Budget Reductions**

	2003/04	2004/05	2005/06
<u>Service Reductions</u>			
1 Policy & Performance - Reducation in staffing	15.0	30.0	30.0
2 Leicester Promotions	17.6	29.2	29.2
3 Withdrawal from Local Government Information Unit	17.0	17.0	17.0
Total Service Reductions	49.6	76.2	76.2
<u>Decisions already taken</u>			
Total Decisions already taken	0	0	0
<u>Efficiency/Restrucuring Savings & Additional Income</u>			
4 Communications - Income & efficiency	12.6	20.8	20.8
5 Overall - efficiency	0.9	0.9	0.9
Total Efficiency/Restructuring Savings & Additional Income	13.5	21.7	21.7
<u>Other</u>			
Unidentified Savings		6.4	6.4
Total Other	0	6.4	6.4
TOTAL REDUCTIONS	63.1	104.3	104.3