North Yorkshire County Council

Corporate and Partnerships Overview and Scrutiny Committee

26 November 2012

Scrutiny and the budget process:
Finance & Central Services - Year 3 and 4 budget savings

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1   Purpose of the Report

1.1   To invite the Committee to note the Year 3 (2013/14) and Year 4 (2014/15) budget savings for Finance & Central Services.

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2   Background

2.1   In Spring 2011 your Group Spokespersons looked into how information relating to the 2010/11 budget cycle had been presented to Members and what improvements could be made to the process for future years.

2.2   Suggested improvements included being able to be involved at an earlier stage in the budget process and having a clearer picture of the impact of proposed service changes on communities. It was felt that rather than looking at years 2011/12 and 2012/13 where budget plans were already in place, overview and scrutiny committees should now focus on budget savings for future years – specifically 2013/14 (Year 3) and 2014/15 (Year 4).

2.3   Scrutiny Board agreed with this approach. Consequently overview and scrutiny committees have been asked to take into account the savings proposals to be made in Years 3 and 4 for their service remit. For the Corporate and Partnerships Overview and Scrutiny Committee this involves savings relating to Finance & Central Services. (Finance & Central Services amalgamated with the Chief Executive's Group in October 2012 to form the Central Services Directorate. However savings relating to the former Chief Executive's Group relate either to Years 1 and 2, Years 1 to 4 inclusive or Years 2 and 3.)

2.4   Alongside the savings to be made by other directorates, budget savings for Finance & Central Services, including for Years 3 and 4, were approved by the County Council on 16 February 2011 as part of its Medium Term Financial Strategy (MTFS).

3   Finance & Central Services: Year 3 and 4 budget savings

3.1   The Year 3 and 4 savings for Finance & Central Services relate to Audit Services (reducing the number of days purchased from Veritau) and ICT (phase 2 review post Microsoft transition).

3.2 The details of these savings including timescales for implementation will be provided at the meeting.

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4   Recommendations

4.1   That Members note the Year 3 (2013/14) and Year 4 (2014/15) budget savings for Finance & Central Services.

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Background documents: None

Appendix 1: Finance & Central Services savings proposals for Year 3 and 4 (presented to the Executive on 1 February 2011/approved by the County Council on 16 February 2011 as part of the MTFS)

FINANCE AND CENTRAL SERVICES SERVICE SAVINGS PROPOSALS
(presented to the Executive on 1 February 2011/approved by the County Council on 16 February 2011 as part of the MTFS)

Project No	Savings Project Area	Description	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000
6	Internal Audit (via Veritau)	Reduction in 2 stages of audit days purchased from Veritau. Each £42k is equivalent to 1 auditor year. This will reduce the audit coverage available for the Annual Audit Plan. As with the reduction in support to Budget Managers this is a 'controlled' reduction based on a risk assessment of the possible consequences.	42		**42**		84
8b	ICT - Phase 2 review post Microsoft transition	Phase 2 will be dependent on the successful completion of the transition to Microsoft software (to replace Novell, etc). The business case for this project is due to be considered by Management Board and Executive shortly. If it does not proceed it is unlikely that staff savings of this magnitude can be made in ICT and alternative savings will have to be found elsewhere in the Directorate.			**100**	**150**	250