

DRAFT - Local Delivery Phase II: Sturminster - DRAFT
Financial Plan, Negotiating Position and Agreement in Principle: post April 2008

Summary of target cost savings for Phase II

Potential service savings identified within the District Council Medium Term Financial Plan and the Phase II project plan for 2007/08 and 2008/09:

	MTFP	Page
Gillingham Leisure Centre	269.2	-
Sturminster Newton Leisure Centre	111.0	-
Public Conveniences	31.7	2
Market	0	5
Sports and Recreation	25.8	7
Environmental Initiatives	19.1	7
TOTAL	£456.8	

Other services also included within 2007/08 and 2008/09:

Car Parking (focused resources/additional income)	9.0	8
Tourism Contribution (focused resources)	20.0	9
TOTAL	£485.8	

NOTES:

The figures provided are quoted based on the Council's 2006/07 and 2007/08 budget book, which is available as a public document. Interpretation of the figures should be checked with the Council's finance team.

The Phase II project plan highlights £500k savings from Local Delivery Phase II, which assumes that there will be no contribution to services from Town/Parish Councils after 2007/08.

The costs do not include savings of recharges or asset rental. The MTFP includes elements for savings on recharges (Management and Support services £15k: 2007/08 and £100k 2008/09).

**Sturminster Newton Leisure Centre:
Medium Term Financial Plan target saving £111.0k moving in to 2008/09.**

Expenditure	Asset Rental	Income	Recharges
233,610 (A)	26,380	122,550 (B)	22,220
Total Expenditure	259,990		
Net Exp (before recharges)		137,440	
Net Exp			159,660

Expenditure A – Income B = £111,060 (exc Asset Rental)

Negotiating Position:

- No funding from District Council from April 2008
- Operation, management and maintenance costs to be alternatively funded, or service transferred.
- NDDC has allocated £150k against Local Delivery to enable transfer.
- Long lease at peppercorn rent for community/school use
- External funding to enable District Council to continue management/operation
- Retain facility, funded and operated by others (at no charge or to retain income: eg for school use, community use)

Likely preferred option:

District Council funding withdrawn April 08
 District Council to sub lease to Dorset County (primarily for school use)
 Trust to operate the fitness suite and manage community use
 Trust contracted to Dorset County for management of whole site
 Town Council may contribute to revenue support (in region of £10k pa)

The attached schedules provide an assessment of the contributions that would be required from each Parish towards a total subsidy of £111,000, based on contributions from the following:

- Sturminster Town/Sturquest area
- Parish Membership of Sturminster leisure centre

Public Conveniences:

Medium Term Financial Plan target saving £28.0k 2007/08 were effectively deferred due to Phase I. Medium Term Financial Plan target saving £31.7k moving in to 2008/09.

Costs of the public convenience service 2007/08:

Expenditure	Asset Rental	Income	Recharges
32,530 (A)	22,780	(400) (B)	77,920
Total Expenditure	55,310		
Net Exp (before recharges)		54,910	
Net Exp			132,830

Cost savings targeted moving in to 2008/09 (A-B) = £32,130

You have previously received budget information relating to public conveniences for 2006/07 and I have now also *enclosed* the budget for the service for 2007/08 together with a breakdown of the above costs.

Negotiating Position:

- No funding from District Council from April 2008
- Operation, management and maintenance costs to be alternatively funded or service transferred
- The District Council capital programme has set aside a total of £310k against public conveniences across the district as contribution towards improvements to enable transfer
- Alternatively Capital to mothball/demolition
- 7 year lease at peppercorn rent for community use or market value for commercial use
- External funding to enable District Council to continue management/operation

Likely preferred options:

Station Road car park:

It is understood that the Town Council has a preference for refurbishment of the existing toilet block at Station Road car park, to a specification to be agreed. The District Council to transfer to the Town Council (long lease) and undertake such improvement works from its Capital funds or to provide the Town Council with an equivalent sum to enable it to complete the refurbishment.

The Council's O&S report reported the estimated cost of providing a new facility at £130,000 (in partnership with a commercial provider) and the Council's estimate for a basic refurbishment of the existing block at £120,000. *This is more than one third of the capital set aside by the District Council for refurbishment of all the districts public conveniences.*

Alternatively, the District Council has received an informal price of circa £62k each for the provision of 5 multi access units in North Dorset and ancillary works.

These costs do not include the cost of operation or maintenance.

Station Road car park (existing toilet block)

	Estimated District Council breakdown of budget costs			Estimated Town Council breakdown of budget costs
Expenditure	4,836			4,836
Income	(0)			(0)
Recharges	12,987	Of which £6,605 operatives (cleaning costs)		6,605
Asset Rental	1,845			1,845
Total	19,667			13,286

The Recharges are the District Council's overhead costs and includes cleaning, maintenance by the operatives, which would be borne by the Town Council. In addition a further £6,382 is attached to depot, vehicles, legal and management overheads that might not necessarily be borne by the Town Council.

Therefore, the estimated cost for the Town Council may be £13,286 (exc management overhead costs). Clearly, the Town Council's assessment of the cost of providing management support/overhead costs is critical.

**Outreach Sports and Recreation:
Medium Term Financial Plan target saving £25.8k 2008/09**

The budget for this service is £25.8k (2007/08), which is targeted for savings moving in to 2008/09.

The MTFP also includes £36k saving going in to 09/10 against the sports development officer post.

Sturminster Newton has **not** indicated that Sports Outreach (which is included within Phase I of Local Delivery) is a priority; *therefore, there is a risk that this service will not be funded beyond April 2008.*

**Environmental Initiatives:
Medium Term Financial Plan target saving £8.0k 2008/09**

The budget for this service is £19.1k (2007/08), which is targeted for savings moving in to 2008/09. There remains therefore £14,500 (promotion) and £4,150 (LA21).

Sturminster Newton has **not** indicated that Environmental Initiatives (which is included within the District Council's draft medium term financial plan for savings moving into 2008/09) is a priority; *therefore, there is a risk that parts of this service will not be funded beyond April 2008.*

Car Parking:**Medium Term Financial Plan target saving £9.0k 2007/08**

Budget for the markets service 2007/08:

Expenditure	Asset Rental	Income	Recharges
130,730 (A)	97,670	(402,530) (B)	78,330
Total Expenditure	228,400		
Net Exp (before recharges)		(174,130)	
Net Exp			(95,800)

The car parking service provides an income to the District Council, which is not identified to reduce moving in to 2008/09; indeed pressure is likely to suggest an increase in parking income moving in to 2008/09.

You have previously received budget information relating to car parking for 2006/07 and I have now also *enclosed* the budget for the service for 2007/08 together with a breakdown of the costs. The total expenditure of £228,400 includes £80,700 for rates, £32,970 for grounds and ticket machine maintenance, £10,550 for cash collections and £97,670 for asset rental.

Negotiating Position:

- No reduction in income identified by the District Council from April 2008.
- Town Council has expressed an interest in operating the car parks.
- Local discretion wrt charges/operation should be considered
- Possible 7 year lease at current income with increase projection (market value)
- NDDC may be contracted to provide services
- There are contracts in place for cash collection and maintenance.

Likely preferred options:

Increase in parking charges should be considered for implementation April 08, including possible introduction of charges at Station Rd Sturminster Newton (estimated at £9k for a flat rate daily charge).

The project framework for Local Delivery does not include consideration of the car parking service until we move in to 2009/10 and therefore, the likely preferred option will require a review of the options in line with the negotiating position above.

Sturminster Newton Car Parks

	Estimated District Council breakdown of budget costs
Expenditure	8,915
Income	(11,953)
Recharges	8,195
Asset Rental	16,218
Total	21,375

The Recharges are the District Council's overhead costs and includes cleansing, legal and management overheads.

Tourism Contribution: Medium Term Financial Plan target saving £35.0k 2008/09

The budget for this service is £20.0k (2007/08), which is targeted for savings moving in to 2008/09.

Sturminster Newton has **not** indicated that Tourism (which is included within the District Council's draft medium term financial plan for savings moving into 2008/09) is a priority; *therefore, there is a risk that this service will not be funded beyond April 2008.*

Other services beyond 2008/09:

Amenity Land

Medium Term Financial Plan initial target saving £37.1k 2009/10

Expenditure	Asset Rental	Income	Recharges
40,150 (A)	3,650	(3,020) (B)	61,240
Total Expenditure	43,800		
Net Exp (before recharges)		40,780	
Net Exp			102,020

Expenditure A – Income B = £37,130 (exc Asset Rental)

The Town Council has not identified this service as a priority but has contributed towards the cost of this service as part of Local Delivery Phase I (ie during 2007/08). Savings against funding amenity land are not planned to fall until Local Delivery Phase III (moving in to 2009/10). Nevertheless, amenity land in Sturminster may be a priority but is currently included in the Local Delivery Framework Phase III (moving in to 2009/10).

I have also *enclosed* the budget for the service for 2007/08 together with a breakdown of the costs, which indicates the costs in Sturminster Newton:

	Estimated District Council breakdown of budget costs
Expenditure	3,770
Income	(144)
Recharges	5,979
Asset Rental	356
Total	9,961

The Recharges are the District Council's overhead costs and includes technical support and management overheads.

However, the current service costs (and breakdown to Sturminster) will not reflect the costs of grounds maintenance including the adoption and transfer of additional land. The likely preferred option may be for a package of amenity land to be transfer to the Town Council/Sturquest (once adopted), some areas which will have commuted sums and some land without commuted sums.

Countryside Ranger Service

Medium Term Financial Plan initial target saving £80.0k 2009/10

Expenditure	Asset Rental	Income	Recharges
80,020 (A)	0	(0) (B)	19,520
Total Expenditure	80,020		
Net Exp (before recharges)		80,020	
Net Exp			99,540

Expenditure A – Income B = £80,020 (exc Asset Rental)

The Town Council has not identified this service as a priority but has contributed towards the cost of this service as part of Local Delivery Phase I (ie during 2007/08). Savings against funding the Countryside Ranger service are not planned to fall until Local Delivery Phase III (moving in to 2009/10). Nevertheless, amenity land in Sturminster may be a priority but is currently included in the Local Delivery Framework Phase III (moving in to 2009/10).

CAB

Medium Term Financial Plan initial target saving £21.0k 2009/10

Arts Promotion

Medium Term Financial Plan target saving £10.8k 2011/12

Sturminster Newton has **not** indicated that the following services (which are included within Phase I of Local Delivery) are a priority:

- CAB
- Arts Promotion

However, savings against funding the CAB are not planned to start to fall until Local Delivery Phase III (moving in to 2009/10) and savings against funding the Arts are not planned to start to fall until Local Delivery Phase V (moving in to 2011/12).

Street Cleansing

The District Council's Medium Term Financial Plan does not include any savings associated with street cleansing.

Costs of the street cleansing service 2007/08:

Expenditure	Asset Rental	Income	Recharges
16,440 (A)	0	(0) (B)	519,980
Total Expenditure	16,440		
Net Exp (before recharges)		16,440	
Net Exp			536,420

You have previously received budget information relating to street cleansing for 2006/07 and I have now also *enclosed* the budget for the service for 2007/08 together with a breakdown of the above costs.

Negotiating Position:

- No increase in cost to the District Council
- Option to transfer the service to Town Councils
- Town Councils to provide statutory element of service under SLA with NDDC
- District Council to empty bins and transfer waste
- Town Councils can opt to provide additional (above the statutory minimum) street cleansing at its cost
- Town Council could contract service to other Towns and/or Parish Councils

Likely preferred options:

- Town Council to provide statutory service under SLA with NDDC
- District Council to empty bins and transfer waste
- Town Councils opt to provide additional (above the statutory minimum) street cleansing at its cost
- Town Council contracts service to other Towns and/or Parish Councils

Sturminster Newton

	Estimated District Council breakdown of budget costs		Estimated Town Council breakdown of budget costs
Expenditure	3,288		3,288
Income	(0)		0
Recharges	82,537	Of which £53,038 operatives, £15,474 vehicles and £10,367 operations management	53,038

Asset Rental	0			0
Total	85,825			56,326

The Recharges are the District Council's overhead costs and includes operatives (£53,080), which would be employed by the Town Council. In addition a further £15,474 is attached to vehicles (which could be provided by the District Council), £1,626 for the depot and operations management overheads (£10,367) that would be borne by the Town Council.

Therefore, the estimated cost for the Town Council may be £56,326 (exc management overhead costs). Clearly, the Town Council's assessment of the cost of providing management support/overhead costs is critical.