OPEN LETTER TO ALL BDC STAFF

Dear Colleagues

Budget Challenge 2015/16 – Update

In my open letter to staff in August 2013 I set out the budget challenge facing Braintree District Council and the need to deliver savings in the region of £1.5 million over the next two years (2015/16 and 2016/17). I asked staff to get involved to help us meet the challenge and the response from staff at all levels has been extremely positive. I’d like to thank people for their efforts and hard work to get us to this point.

I predicted that this challenge would be met by a combination of actions and an accumulation of savings and this is the case. We aimed to make some savings next year (2014/15) because making savings earlier strengthens our position. This is the case. The overall aim of the savings programme is to protect services to the public and minimise the impact on our customers and our staff. I believe we have gone a long way to do this.

I identified November as a key month when Management Board with the Leader and Cabinet Members would review the savings proposals ahead of December’s Cabinet meeting. I recognise that budget savings bring uncertainty across the organisation and I made the commitment that I would bring clarity to plans and update staff on these as soon as I could. This letter aims to do just that.

I must stress that this letter sets out the position as of today, but the overall budget position of the Council is always subject to approval of the final budget by Members in February 2014; any further changes required as a result of changes by Government to local government finances (the autumn statement will be in early Dec ’13); and the loss of income or support from other organisations who have to make savings themselves, e.g. Essex County Council.

We have now reached a point where we have a schedule of proposed savings. These savings have been split between:

Savings requiring Member Decisions - these proposals require Member decisions because if implemented these will have implications for customers, service levels and/or partners; these proposals will be published as part of the Cabinet budget report in December, but customer consultation will be undertaken before any final decisions are made by Members in February 2014.

Continued/2
Savings requiring Management Decisions - these proposals require management decisions (Management Board) because they have internal implications on staff and how the organisation is managed. These will be published as part of the Cabinet report in December and are for Cabinet to note.

To give you an overview against the original challenge of saving £1.5 million, as it stands today, savings requiring Member decision total £590,980 and savings requiring management approval total £1,105,490. You will appreciate that these figures are subject to change as we continue to refine the details. These savings are profiled over the next four years (2014/15 to 2017/18), with the majority of the savings to be made in 2014/15 and 2015/16. The reason that the total saving figure is higher at around £1.7 million is that this figure includes previous savings required and adjustments to the profile.

Key messages for staff:

• The value of management approved savings over the next four years (2014/15 to 2017/18) is £1,105,490; of this amount the bulk of management savings will be delivered next year (£747,380 in 2014/15) and a smaller amount in 2015/16 (£266,110).

• A brief summary of these savings shows that the majority come from the realignment or reduction in budgets where circumstances have changed; procurement exercises and a review of contracts have reduced costs; some ICT savings; staff changes and savings including changes from full-time to part-time working either through staff changes or request; restructures as a result of retirements; and re-grading of posts. Many of these changes have already been made with the agreement of the staff or teams affected.

• Going forward, there will be some further staff changes implemented in 2014/15, but again I envisage these being by mutual consent and/or after staff have retired.

• The biggest staff impact will be a management restructure to commence next year which will take out of the organisation approximately £210,000 of management costs over 2014/15 and 2015/16. I cannot provide more details at this stage as work on proposals is still to be done by Management Board. Of course for managers and teams directly affected, the Managing Change process will be followed with appropriate consultation.

In summary, I feel this is good start, but we must not be complacent. This is an on-going process of looking for better and more cost-effective ways to deliver key services to our residents and businesses. There is still a budget gap in 2016/17 and 2017/18 which needs to be addressed, but we have gained some time to plan ahead again. We also have the Peer Challenge feedback to reflect on, with an action plan to be developed in the coming weeks.

Continued/3...
In terms of communications, I wanted to send this letter out as early as possible to all staff, but ahead of this I presented key messages to the Managers’ Briefing on 14\textsuperscript{th} November. There is a further Managers’ Briefing on 10\textsuperscript{th} December after the Cabinet meeting and I will update staff over the next three months using various communication methods as we head towards budget decisions in February 2014.

Yours sincerely,

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Nicola Beach  
Chief Executive

\textit{c.c.} \hspace{.2cm} All Members and Press