

Economic Development - Reduction in third party payments

Option Number	ED3
Savings Proposal	Economic Development Service
Division	Economic Development
Service area	Whole Service

Forecast Savings	2015-16 £m	2016-17 £m	2017-18 £m	Total £m
Incremental Savings	0.167	0.000	0.000	0.167
Cumulative Savings	0.167	0.000	0.000	0.167

Description of Savings Proposal

The service has reviewed all current activities and has set out the following proposals to achieve the savings total required.

Reduction in Third Party Payments £0.167m

Potential Impact on Service Outcomes and any Mitigating Actions Proposed

The Economic Development Service will be reviewing all third party payments in order to achieve the saving proposed here. Economic Development has been asked to take the largest reduction in third party payments. There will therefore need to be a continuing robust review of investment priorities.

Service lead/owner**Ken Shaw/Brian Martin**

Risks To Savings Delivery	Mitigating Action	Risk Owner
The proposals developed to reduce third party payments, especially in the Employability and Skills activity will not be accepted.	Discussions with Elected Members are on-going.	Ken Shaw/Brian Martin
Impact on service delivery on Employability and Skills activities.	On-going review of activities in Employability and Skills. Actively seek additional funding from external sources to supplement core Council funding.	Ken Shaw/Brian Martin

Area to be Consulted	Points for Consideration	Name
Service	Review service activity and current funding arrangements to identify savings potential early.	Ken Shaw/Brian Martin
Finance (Senior Accountant)	Savings to be met from funding for third parties. Finance support required to identify potential savings and support funding applications.	Iain Shaw
Organisational Development	None	Eleanor Kay
Equalities	There may be impacts arising from the proposal to reduce third party funding however this cannot be quantified until the reductions are identified.	Laura McIntyre

Specific impacts to be considered	Summary of impacts and any mitigating actions to address negative impacts
Equalities and rights	There may be impacts arising from this proposal once the funding reductions are identified.
Carbon impact	There are no carbon impacts arising from this proposal.
Partnership	There will be an impact on partnership working arising from this proposal. The Service will continue to engage with partners on a regular basis as these savings are identified to minimise the impact of the savings.
Prevention	There will be an impact on prevention arising from this proposal. The Service will continue to engage with partners on a regular basis as these savings are identified to minimise the impact of the savings.

Key Stakeholders – Name	Service Area
Capital City Partnership	The Employability and Skills team will work with Capital City Partnership on the savings proposed in third party payments as a significant number of third party payments are made through Capital City Partnership to third party providers.
Edinburgh Business Forum	Edinburgh Business Forum will be kept updated on the savings proposed within this area.

Impact on Wider Council	Consultation Arrangements and Outcome	Service Manager
There are potential impacts on the wider Council in implementing this proposal. It is not possible to determine the impact until the savings are quantified however the Economic Development Service will continue to work with colleagues in other Council services to minimise the impact such savings will have.	Work with other Council services on identifying savings and potential impacts.	Ken Shaw/Brian Martin

Next Steps - Actions	Action Owner	Completion Date
Review the existing commitments in third party payments within the service.	Ken Shaw/Iain Shaw	
Identify areas for potential savings for discussion with Economic Development Management team, wider Council contacts and Elected Members.	Ken Shaw/Brian Martin	

Political Sensitivity	
Assessment Level	High

Approvals Required	Name	Approval Date
Head of Service		
Director	Greg Ward	6/10/2014