

AGENDA MANAGEMENT SHEET

Name of Committee Economic Development Overview and Scrutiny Committee

Date of Committee 29th November 2005

Report Title 2005/06 Cost Effectiveness Savings – Department of Planning Strategy and Economic Strategy Department Progress Report

Summary This report outlines the progress the Planning, Transport and Economic Strategy Department has made to date in delivering the required cost effectiveness savings in 2005/06.

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Would the recommended decision be contrary to the Budget and Policy Framework? Yes/No

Background Papers 2005/2006 Budget Resolution.

CONSULTATION ALREADY UNDERTAKEN:- *Details to be specified*

- Other Committees
- Local Member(s)
(With brief comments, if appropriate)
- Other Elected Members Councillor F P Barnes } for information
Councillor M J Jones }
Councillor R P L Morris-Jones }
- Cabinet Member Councillor C J Saint – for information
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)
- Chief Executive
- Legal I Marriott - agreed

- Finance V Rennie – comments incorporated
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION **YES/NO** (*If 'No' complete Suggested Next Steps*)

SUGGESTED NEXT STEPS :

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

**Economic Development Overview and Scrutiny Committee -
29th November 2005**

**2005/2006 Cost Effectiveness Savings – Department of
Planning, Transport and Economic Strategy Progress Report**

**Report of the Director of Planning, Transport and
Economic Strategy**

Recommendation

The Committee is asked to note the progress made by the Department of Planning Transport and Economic Strategy in delivering the 2005/06 cost effectiveness savings target.

1. Introduction

- 1.1 As part of the 2005/06 Budget Resolution all departments (excluding schools) were required to identify 2.5% savings, wherever feasible from improvements in cost effectiveness with exceptions for Social Services and Fire and Rescue where the level of savings to be returned to the centre was limited to £1,580,000 and £199,000 respectively. Departments were required to return the majority of these savings to the centre. This report provides this information for the Department of Planning, Transport and Economic Strategy (PTES) showing progress against the target.

2. Departmental Savings Target

- 2.1 The 2005/06 savings target for the Department of Planning, Transport and Economic Strategy is £830,000. As part of the budget resolution the department was able to retain £43,000 of this saving to help fund budget pressures and to develop services. The balance of £787,000 was returned to the centre to help fund the 2005/06 budget.

3. Progress To Date

- 3.1 To date the department has identified £525,000 savings. A summary of the savings identified is shown in Table 1.

Table 1: Savings Identified to Date	Cash Savings £000	Non-Cash Savings £000	Total £000
Procurement	155		155
Environmental Policies	120		120
Other			
Additional Income			
Waste Electrical and Electronic Equipment (WEEE) Grant	130		130
Section 74 income	100		100
Total Identified to date	505		505
Savings still to be identified	282	43	305
Total	787	43	830

- 3.2 Although generally the department is facing considerable pressure on the cost of providing public transport, renegotiation of two bus contracts is estimated to have saved £60,000. Waste Management is also facing pressure from increased tonnages and increased contract costs. However, renegotiation in September of the contracts for the disposal of televisions and fridges is expected to save £190,000 a year i.e. £95,000 in 2005/06
- 3.3 The Waste Strategy is facing significant problems in complying with the European Union's Landfill Directive but the department is still hopeful that it can save £12,000 in 2005/06 from the greater redirection of waste away from landfill into composting etc
- 3.4 Increased income and grants towards meeting the increased costs of the department's policies is also seen as a means of achieving the growth in service or sustaining services without additional costs. For example we have secured additional external funding £170,000 for another opportunities centre based in Rugby.
- 3.5 The department has still to identify all of the savings required. £305,000 still remains to be identified. The department will do everything it can to achieve the necessary savings by the end of the financial year. The department will ensure the savings are identified and continue to monitor progress. However, given that of our net budget 28% is the cost of capital charges, 20% is the cost of Waste Management and 28% is the Road Maintenance it is inevitable that there is little scope for true efficiency savings from the use of better procurement or streamlined computer systems and inevitably the £305,000 can only be found if the remaining 24% of our costs can be reduced by savings on staffing costs by

delaying recruitment and the review and possible reduction in the level of services.

4. Reinvestment of Departmental Savings

- 4.1 The £43,000 savings the department was able to retain to reinvest within the department to fund budget pressures and service developments have been used to help bridge the gap between the £3.29 million additional resources allocated to PTES and the £3.7 million of unavoidable pressures reported to Overview and Scrutiny Committees in November 2004 spread over all of the divisions of the Department.

JOHN DEEGAN
Director of Planning, Transport and Economic Strategy
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21st November 2005