

**AGENDA MANAGEMENT SHEET**

**Name of Committee** Environment Overview and Scrutiny Committee

**Date of Committee** 9th November 2006

**Report Title** 2006/7 Efficiency Savings – Environment and Economy Progress Report

**Summary** This report outlines the progress the Environment and Economy Directorate has made to date in delivering the required efficiency savings in 2006/7 required as part of the 2006/7 budget.

**For further information please contact** Liz Firmstone  
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**Would the recommended decision be contrary to the Budget and Policy Framework?** Yes/No

**Background Papers** 2006/7 Budget Resolution.

**CONSULTATION ALREADY UNDERTAKEN:-** *Details to be specified*

- Other Committees  .....
- Local Member(s)  .....  
(With brief comments, if appropriate)
- Other Elected Members  Councillor K Browne } for information  
Councillor Mrs E Goode }  
Councillor Mrs J Lea }
- Cabinet Member  Councillor M Heatley – for information.  
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)
- Chief Executive  .....
- Legal  A Belcher – agreed.
- Finance  V Rennie – agreed.

- 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  .....

**Environment Overview and Scrutiny Committee -  
9th November 2006**

**2006/7 Efficiency Savings – Environment and Economy  
Directorate Progress Report**

**Report of the Strategic Director for  
Environment and Economy**

**Recommendation**

The Committee is asked to note the progress made by the Environment and Economy Directorate in delivering the 2006/7 efficiency savings target.

**1. Introduction**

- 1.1 As part of the 2006/7 Budget Resolution all directorates (excluding schools) were required to identify 2.5% savings, wherever feasible from improvements in efficiency. Directorates were required to return all of these savings to the centre. This report provides this information for the Environment and Economy Directorate showing progress against the target. All other Directorates will be reporting to their Overview and Scrutiny Committee on the same basis.

**2. Directorate Savings Target**

- 2.1 The 2006/7 cashable savings target for the Environment and Economy Directorate is £860,000.
- 2.2 Environment and Economy Directorate is required in 2006/7 to:-
- (i) Deliver £860,000 of cashable savings as part of the 2006/7 budget resolution, and,
  - (ii) The Council's 2006/7 Forward Looking Annual Efficiency Statement submitted to the Government, forecast the cashable efficiency gains that it could achieve without any loss of service quality. Environment and Economy Directorate has forecast that it can achieve £148,000 of these savings, which are included in the overall target of £860,000.

### 3. Progress To Date

3.1 To date the directorate has identified £1,300,000 of cashable and £90,000 of non-cashable savings that it is forecast will be achieved by the end of the financial year. The majority of these are cuts to our budgets and a summary of the savings identified is shown in Table 1 . Although we have achieved more than the target of £860,000 this has been necessary to fund the other budget pressures that we have identified later in this report . Further savings are still required to bring our spending back on budget.

<b>Table 1: Savings Identified to Date</b>	<b>Cash Savings £000</b>	<b>Non-Cash Savings £000</b>	<b>Total £000</b>
<b>Permanent ongoing savings</b>			
Finance Team savings	51		51
County Highways administration	62		62
County Highways Contract Budget Cut	106		106
County Highways Contract efficiency	125		125
Support Services	31		31
NRASWA income	52		52
Regeneration Administration post deleted	44		44
Transport Studies Budget	175		175
Transport Revenue Support	106		106
Community Safety Budget	30		30
Waste recycling Fridge contract	16		16
Waste recycling TV contract	40		40
Rugby Green Waste	67		67
Strategic Management post	35		35
<b>One off in year savings</b>			
Warwickshire innovation centre income	45		45
Development Group administration staff vacancies and additional income	55		55
Waste Incineration		90	90
Waste tonnage reduction	192		192
Strategy Support savings by holding vacant posts.	62		62
Strategy group administration	6		6
<b>Total Identified to date</b>	<b>1300</b>	<b>90</b>	<b>1390</b>
Savings target	<b>860</b>		<b>860</b>
<b>Total above the target</b>	<b>440</b>	<b>90</b>	<b>540</b>

3.2 The efficiency target has been achieved mainly by making cuts to our budgets across all the services that we provide including County Highways, Transport Planning, and Regeneration . We have made savings in administration, by reducing posts, by increasing income wherever possible, and as a result of reductions in tonnages of household waste. Within the £1,300,000 cashable

savings the permanent ongoing savings amount to £940,000 and the one off in year savings amount to £360,000.

- 3.3 Of the total savings identified to date, £635,000 of the cashable and all of the non-cashable savings can be delivered while services produce the same outputs or outcomes. However £360,000 of these are one offs and will lead to a reduction in the service. We have cut our Transport studies budget by £175,000 which reduces in future years our ability to bring forward new projects, our County highways budget and Bus subsidy support were both cut by £106,000 to achieve the savings target. Waste Management costs have been reduced by £67,000 by reducing the Rugby green waste project to £25,000 and we have cut the budget of £30,000 we had for one off safety projects.
- 3.4 £181,000 of cashable and £90,000 of non-cashable savings can be included in the Council's Annual Efficiency Statement. Efficiency savings that have been achieved with no loss of service are:-
- (i) County Highways Contract (£125,000).
  - (ii) Fridges (£16,000).
  - (iii) TV Recycling (£40,000).
  - (iv) Incineration (£90,000).
- 3.5 The Directorate has identified more than the £860,000 of cashable savings required by the 2006/7 budget resolution and Table 2 identifies where this £440,000 will be used. However we still need to explore further areas for savings. This is because the Directorate has further budget pressures to contend with, including the additional costs of running Bishopton Park and Ride (£113,000), the shortfall of income on the Eliot Park Innovation Centre (£52,000) and other increases in costs and income reductions through the Directorate as shown in table 2 below. The Directorate expects to achieve the necessary savings to meet these pressures by the end of the financial year, but is currently forecasting a year-end overspend of £436,000. The Directorate is reviewing what further management action is required to remedy this position, and will continue to monitor progress by regular review at its Leadership team meetings.

#### **4. Reinvestment of Directorate Savings**

- 4.1 The Directorate has achieved £440,000 cashable savings above the level of savings required by the 2006/7 budget resolution. These have resulted from savings in administration, by reducing posts, by increasing income wherever possible, and as a result of reductions in tonnages of household waste. These savings have been reinvested within the directorate to fund budget pressures and service developments as shown in Table 2 below:-

<b>Table 2: Reinvestment of Directorate Savings</b>	<b>£000</b>	<b>£000</b>	<b>Total £000</b>
Road adoption and Highways Development control work carried out by Nuneaton and Rugby	100		100
County Highways Contract	125		125
Waste Management Strategy	34		34
EPIC	70		70
Planning Policy	13		13
Gypsy Sites and administration	89		89
Other cost increase and reduced income	9		9
<b>Total</b>	<b>440</b>		<b>440</b>
<b>Other Budget pressures</b>			
Transport Planning - other	26		26
Highways	100		100
Other Variations	115		115
EPIC	52		52
PINCH	30		30
Bishopton Park and Ride	113		113
<b>Total budget pressures</b>	<b>436</b>		<b>436</b>

4.2 The additional pressures amount to £436,000. County Highways will find £100,000 of this by carrying forward an overspend against its budget and it is anticipated that we will identify the necessary savings to cover these budget pressures over the remainder of the financial year.

JOHN DEEGAN  
Strategic Director for Environment and Economy  
Shire Hall  
Warwick

25th October 2006