

AGENDA MANAGEMENT SHEET

Name of Committee Resources, Performance and Development Overview And Scrutiny Committee

Date of Committee 14 November 2006

Report Title 2006/07 Efficiency Savings – Resources Directorate Progress Report

Summary This report outlines the progress the Resources Directorate has made to date in delivering the required efficiency savings in 2006/07 required as part of the 2006/07 budget.

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

Background papers 2006/07 Budget Resolution

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members Cllr. David Booth
Cllr George Atkinson
Cllr Bob Hicks
- Cabinet Member Cllr. Alan Cockburn – for information
- Chief Executive
- Legal Sarah Duxbury
- Finance David Clarke – reporting officer
- Other Chief Officers
- District Councils
- Health Authority

Police

Other Bodies/Individuals

FINAL DECISION YES

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

Resources, Performance and Development Overview and Scrutiny Committee – 14 November 2006

2006/07 Efficiency Savings – Resources Directorate Progress Report

Executive Summary

- This report details the progress made to date by the Resources Directorate in delivering the efficiency savings required as part of the 2006/07 budget.
- Key points to note are as follows:

Directorate Savings Target

- The 2006/07 cashable savings target for the Resources Directorate is £402,000.
- As part of the Council's 2006/07 Forward Looking Annual Efficiency Statement submitted to the Government the Resources Directorate forecast it could achieve £258,000 cashable efficiency gains without any loss of service quality currently provided.
- To date the Directorate has identified £336,000 cashable savings that it is forecast will be achieved by the end of the financial year. This means that the Directorate has identified £78,000 more cashable savings than previously forecast.
- The directorate has still to identify £66,000 of cashable savings required by the 2006/07 budget resolution.

Corporate Savings Target

- The Resources Directorate is also responsible for co-ordinating corporate efficiency gains of £1,369,000 cashable and £23,000 non-cashable.
- The Resources Directorate currently expects to achieve £202,000 cashable and £5,000 non-cashable efficiency gains from co-ordinating corporate efficiency projects.
- This is £1,167,000 less cashable and £18,000 less non-cashable efficiency gains than forecast in the 2006/07 Forward Looking Annual Efficiency Statement.
- There has been slippage in the expected disposal dates of surplus assets, particularly the sale of surplus land at Aylesford, resulting in a £0.750 million reduction of cashable gains.

Resources, Performance and Development Overview and Scrutiny Committee – 14 November 2006

2006/07 Efficiency Savings – Resources Directorate Progress Report

Report of the Strategic Director of Resources

Recommendation

The Committee is asked to note the progress made by the Resources Directorate in delivering the 2006/07 efficiency savings target.

1 Introduction

- 1.1 As part of the 2006/07 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 Resources 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 2006/07 cashable savings target for the Resources Directorate is £402,000.
- 2.2 As part of the Council's 2006/07 Forward Looking Annual Efficiency Statement submitted to the Government the Resources Directorate forecast they could achieve £258,000 cashable efficiency gains without any loss of service quality currently provided.

3 Progress to Date

- 3.1 To date the Directorate has identified £336,000 cashable savings that it is forecast will be achieved by the end of the financial year. These are shown in Table 1 below.

Table 1: Directorate Savings Identified to Date	Cash Savings £000	Non-Cash Savings £000	Total £000
Reduced use of consultants on estates work	30	0	30
Use of email, instead of post, for sending remittance advices	5	0	5
PC contract – procurement savings	190	0	190
Modernisation of ICT technical support	95	0	95
Staff savings in Property teams	16	0	16
Total Identified to date	336	0	336
Savings still to be identified	66	0	66
Total	402	0	402

3.2 All of the savings identified to date relate to efficiency gains that have resulted in no loss of service and can be included in the Council's Annual Efficiency Statement. This means that the Directorate has identified £78,000 more cashable savings than previously forecast.

3.3 The directorate has still to identify £66,000 of cashable savings required by the 2006/07 budget resolution. The Directorate expects to achieve the necessary savings by the end of the financial year. The Directorate will ensure the savings are identified and continue to monitor progress by receiving and considering reports at the Resources Directorate Management Team and acting upon them.

4 Corporate Savings Target

4.1 The Resources Directorate is also responsible for co-ordinating corporate efficiency gains of £1,369,000 cashable and £23,000 non-cashable included in the 2006/07 Forward Looking Annual Efficiency Statement. The areas in which corporate efficiency gains are being generated are:

- Procurement
- Miscellaneous sale of surplus assets

5 Progress to Date

5.1 The Resources Directorate currently expects to achieve £202,000 cashable and £5,000 non-cashable efficiency gains from co-ordinating corporate efficiency projects. This is £1,167,000 less cashable and £18,000 less non-cashable efficiency gains than forecast in the 2006/07 Forward Looking Annual Efficiency Statement.

5.2 There has been slippage in the expected disposal dates of surplus assets, particularly the sale of surplus land at Aylesford, resulting in a £0.750 million

reduction of cashable gains. Once the assets are disposed of the gains will be realised in subsequent years. Table 2 below shows where corporate efficiency gains have been generated.

Table 2: Corporate Savings Identified to Date	Cash Savings £000	Non-Cash Savings £000	Total £000
Least cost call routing (achieving better contracts for telephone calls)	57	0	57
Mobile telephone contract price reductions	50	0	50
Spend analysis benefits (price reductions in contracts)	9	0	9
ESPO catalogue prices (price increases less than rate of inflation)	7	0	7
Corporate contract for the hiring of venues	10	0	10
Social Services temporary staff (negotiating single contract)	15	5	20
Sale of surplus assets	54	0	54
Total Identified to date	202	5	207
Savings still to be identified	1,167	18	1,185
Total	1,369	23	1,392

DAVID CLARKE
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24 October 2006