

AGENDA MANAGEMENT SHEET

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

Date of Committee 13th November 2007

Report Title 2007/08 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 2007/08 required as part of the 2007/08 budget.

For further information please contact: Graham Shaw, Finance, Information and Systems Manager
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Would the recommended decision be contrary to the Budget and Policy Framework? No.

Background papers 2007/08 Budget Resolution

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members Cllr David Booth (report addresses points raised by Cllr Booth), Cllr George Atkinson
Cllr John Haynes
- 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 Paul Williams, Scrutiny Officer

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 – 13th November 2007

2007/08 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 2007/08 budget.
- Key points to note are as follows:

Directorate Savings Target

- The 2007/08 cashable savings target for the Resources Directorate is £464,000.
- As part of the Council's 2007/08 Forward Looking Annual Efficiency Statement submitted to the Government the Resources Directorate forecast it could achieve £686,000 cashable efficiency gains without any loss of service quality currently provided.
- To date the Directorate has identified £464,000 cashable savings that it is forecast will be achieved by the end of the financial year.

Corporate Savings Target

- The Resources Directorate is also responsible for co-ordinating corporate efficiency gains and, at the start of the year, forecast that there would be of £1,910,000 cashable gains.
- The Resources Directorate currently expects the County Council to achieve £548,000 cashable efficiency gains from corporate efficiency projects.
- This is £1,362,000 less cashable efficiency gains than forecast in the 2007/08 Forward Looking Annual Efficiency Statement.
- This reduction has arisen largely because of slippage in the expected disposal dates of surplus assets.

**Resources, Performance and Development Overview and
Scrutiny Committee – 13th November 2007**

**2007/08 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 2007/08 efficiency savings target.

1 Introduction

- 1.1 As part of the 2007/08 Budget Resolution all directorates (excluding schools) were required to identify 2.5% savings, wherever feasible from improvements in efficiency, with the exception of Adult, Health & Community Services and Community Protection. Adult, Health & Community Services were expected to deliver savings of £287,000 (2.5% in respect of Libraries, Heritage and Trading Standards), whilst Community Protection were not asked to deliver any savings. 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.
- 1.2 In addition all directorates were set a combined target of achieving £700,000 savings to reduce the Council's impact on the environment, including the reduction of the use of paper, publications etc.

2 Directorate Savings Target

- 2.1 The 2007/08 cashable savings target for the Resources Directorate is £397,000. In addition the Directorate is expected to achieve £67,000 savings through reducing their environmental impact.
- 2.2 As part of the Council's 2007/08 Forward Looking Annual Efficiency Statement submitted to the Government the Resources Directorate forecast they could achieve £686,000 cashable and £5,000 non-cashable efficiency gains without any loss of service quality currently provided.

2.3 Resources Directorate are also responsible for co-ordinating corporate cashable efficiency gains of £1,910,000 included in the 2007/08 Forward Looking Annual Efficiency Statement. The areas in which corporate efficiency gains are being generated are procurement, sale of surplus assets and energy savings.

3 Progress to Date

3.1 To date the Directorate has identified £464,000 cashable and £5,000 non-cashable savings that it is forecast will be achieved by the end of the financial year. The savings identified are shown in Table 1 below.

Table 1: Savings Identified to Date	Cash Savings £000	Non-Cash Savings £000	Total £000
Payroll - savings arising from end of outsourcing contract	287	0	287
Fluorescent tubes – replacement tubes are now being fitted by caretakers rather than by contractors	2	0	2
Plan printing machine - new machine with folding facility saves significant staff time	0	5	5
Staff turnover - savings arise when staff leave and are not replaced or are replaced after a delay and/or replaced on a lower pay grade	175	0	175
Total Identified to date	464	5	469

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.

3.3 The directorate expects to achieve the savings required by the Budget Resolution by the end of the financial year without any loss of service. The directorate does not, however, expect now to achieve all of the savings which were forecast in the Forward-Looking Annual Efficiency Statement. This is because, unfortunately, the achievable savings shown in the Forward-Looking Annual Efficiency Statement were inflated by a double counting error. [We made a mistake in including both our general efficiency target (the 2.5% from Council) and specific proposals for delivering that as separate items.]

3.4 Although the directorate has identified the savings required by the Budget Resolution it is, nevertheless, looking at ways of achieving 'environmental' savings in relation to printing and stationery. Some of these are now being implemented but the level of savings is not yet clear. These items will be included in the end-of-year report.

3.5 Resources Directorate currently expect to achieve £548,000 cashable efficiency gains from co-ordinating corporate efficiency projects. This is £1,362,000 less cashable gains than forecast in the 2007/08 Forward Looking

Annual Efficiency Statement. This is mainly because the estimated dates by which some large sales of surplus assets will be achieved have slipped significantly. [This relates primarily to the sale of the land at South West Warwick which is proceeding but following interventions by the Environment Agency, we are having to conduct negotiations with landowners affected by the Gog Brook in order to make provision for flood alleviation works. This has caused huge delays but we are hopeful that the sale will take place in 2008/09.]

- 3.6 The Directorate will aim to ensure that the revised forecast of efficiency gains (as per Table 2 below) is achieved and will continue to monitor progress through regular reports to the directorate's Management Team.

Table 2: Savings Identified to Date	Cash Savings £000	Non-Cash Savings £000	Total £000
Interest on sale of surplus assets	235	0	235
Procurement – personal computers contract	87	0	87
Procurement – temporary staffing contract	100	0	100
Procurement – spend and data analysis (includes, amongst other items, retrospective rebates)	53	0	53
Procurement – corporate venues	30	0	30
Procurement – library books	14	0	14
Procurement – postage	10	0	10
Procurement – ESPO v inflation	5	0	5
Procurement – Chiltern Railways	5	0	5
Procurement – e-Procurement	4	0	4
Energy savings – Salix scheme	5	0	5
Total Identified to date	548	0	548

DAVID CLARKE
Strategic Director of Resources

Shire Hall
Warwick

22nd October 2007