

Savings Proposals

1. As mentioned in Appendix C the Deputy Leader has asked all portfolio holders to model savings beyond those set out in the service guidelines issued in July. These are set out in the table below.

| | Savings on allowed standstill | | |
|-----------------------------------------------|-------------------------------|----------|--------------|
| | July % | Latest % | Savings £000 |
| Chief Executive (exc. Libraries) | 5.0 | 6.0 | 538 |
| Libraries | 3.0 | 3.5 | 228 |
| CRD (exc. Building maintenance) | 5.0 | 6.0 | 382 |
| Building Maintenance | 3.5 | 4.0 | 152 |
| Childrens | 2.0 | 2.0 | 1,149 |
| Adult Social Care | 2.0 | 2.0 | 2,292 |
| Transport & Environment – Highway Maintenance | 3.0 | 3.5 | 556 |
| Transport & Environment – Waste | 0.5 | 0.5 | 69 |
| Transport & Environment – Other | 5.0 | 6.0 | 731 |
| Total | | | 6,097 |

2. Annex 1 contains a financial summary which shows that, in addition to savings to meet the guidelines there are significant additional savings planned for re-investment within Adult Social Care and Children's Departments. Whilst, for Children's, the source of these savings has been listed for Adult Social Care the source of some £4 million savings for re-investment is shown as "to be identified". Clearly re-investment cannot take place until such savings have been properly identified, quantified and secured.

3. The Cabinet guideline issued in July asked that at least 2% of the savings identified to contribute towards the overall targets should be "efficiency savings". This would yield at least £4m of such savings. It is disappointing that the efficiency savings identified against the guideline currently only amount to £3m (see Annex 2).

4. Annex 2 also shows the savings eligible for inclusion of the 2006/07 Annual Efficiency Statement (AES) which has to be submitted to Government.

APPENDIX E

The target for these savings in 2006/07 is £6.91m of which £3.46 should be cashable. Currently the AES savings identified fall £3.3 million short of the target (and £460,000 short on the cashable element). It may be that some savings not currently categorised as efficiency would be eligible. There is clearly also a need to look in more detail at unit costs and service levels for non-cashable savings. Nevertheless, further work is underway to ensure that both the guideline and AES efficiency targets are achieved. This work now needs to be stepped up.

5. Annex 3 sets out the details of all savings for each portfolio, divided into high medium and low impact. The Chief Officers commentaries at Appendix D provide further details on the most significant of these and the approach taken to identifying savings.

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