

SCRUTINY COMMISSION - 8th SEPTEMBER 2004

REPORT OF DIRECTOR OF RESOURCES

EFFICIENCY SAVINGS 2004/5

Purpose

1. This report sets out how the efficiency savings agreed as part of the 2004/5 budget are intended to be achieved.

Background

2. The 2004/5 budget included £2.06m of efficiency savings in addition to other savings of £1.81m to offset the increased cost of services and restrict the council tax increase. In January and February reports to Scrutiny Committees and Cabinet stated, the following in respect of the efficiency savings:

"Inevitably some of these (savings) will involve staffing budgets. Savings will result from managing vacancies, permanently deleting posts which are vacant, and restructuring. At this time it is not possible to give an assurance that there will be no redundancies. Savings will also result from a range of good housekeeping measures. It is not anticipated that these savings will have any impact on front line services."

(Extract from paragraph 41 of Cabinet report, 28th January 2004.)

Proposed savings

3. Attached in the appendix are details of how departments intend to achieve savings in 2004/5.
4. The position is summarised in the table below:-

	<u>2004/5</u> <u>£000</u>	<u>Full Year</u> <u>£000</u>
Education (LEA Block)	400	800
Social Services	500	1000
Highways, Transportation & Waste Management	400	700
Community Services	325	525
Chief Executives	235	435
Resources	200	400
TOTAL	2,060	3,860

5. The savings requirement of £2.06m in 2004/5 represents approximately 0.9% of the relevant budgets.
6. Savings are being achieved using a variety of means. In the case of Social Services, Highways, Transportation and Waste Management and Community Services this involves some staff restructuring and reports have gone to Employment Committee where necessary. The resulting severance costs for Community Services are being met from a carry forward from 2003/4 underspending which was reported to the Resources Scrutiny Committee. For the other two departments, the cost is being met from savings in 2004/5 and figures for estimated severance costs are shown in the appendix.
7. The full year effect of the savings is £3.86m. In some cases no further action will be required e.g. where there is a full year saving from staff restructuring without the need to meet one-off severance costs. Where additional action is required this will be reported as part of the budget process for 2005/6.

Conclusion

8. The Scrutiny Commission is asked to note the report

Equal Opportunities

None.

Background Papers

Revenue Budget 2004/5.

Circulation Under Sensitive Issues

None.

Officer to Contact

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Appendix

	2004/ 5
<u>Education</u>	£000
Awards and Grants – Staff savings including the introduction of new computer system	40
Client and Technical Services Unit – Efficiency savings and increased income	71
Residential Services (Aberglaslyn – reductions in running costs and increased income)	20
SEN/Educational Psychology Service – vacant posts	40
Specialist Teaching Service – Staff and running costs savings	48
Governor Support – Staff savings through more efficient working	20
General Efficiencies – Staff travel and office expenses	65
Reduced funding for service units to reflect 2003/4 underspendings	<u>96</u>
	400
<u>Social Services</u>	
Children's Services) Modernisation of management structures, reduced	85
Learning Disabilities) administration and deletion of vacant posts.	122
Older People)	78
Mental Health)	15
Support Services)	172
General Efficiencies - mainly staff travel and office expenses	120
Less provision for severance costs	<u>-92</u>
	500
<u>Highways, Transportation & Waste Management</u>	
Organisation changes - reduction of management and support services posts/management of vacancies	361
Less provision for severance costs	-86
Trade Waste income	65
Public Transport Contracts rationalisation/better promotion	<u>60</u>
	400
<u>Community Services</u>	
Organisational changes - reduction of management and support services posts and deletion of vacant posts	245
Rationalisation of reference materials including greater use of electronic media/review of book repair procedures	50
General Efficiencies – office expenses	<u>30</u>
	325

	2004/5
<u>Chief Executives</u>	
Closure of external training	132
Over provision of match funding following end of SRB	30
Savings in contributions to economic research projects and European work	16
Reduction in funding requirement for Leicestershire Cares	5
Increased Legal Services and other Income	35
General efficiencies – office expenses	<u>17</u>
	235
<u>Resources</u>	
ICT Services – Administration, Internet/Network Computer Hardware	92
Financial Services – Improved computer procurement	54
Property Services – More efficient contract management	<u>54</u>
	200
Total	<u>2060</u>