

Budget Savings and Efficiency Gains

Over the last two months Service Unit Managers have considered how to achieve significant reductions on revenue account of 15% or around £1,125k.

The criteria was set such that raising income and good housekeeping were prerequisites and services savings should be found as a last resort.

This is a significant challenge for the organisation in addition to changes in the Senior Management Structure. Some units comprise of small numbers of staff and minor budgets. However the challenge to achieve this target of 15% has to some extent been restated by Government. A 10% i.e. 3% pa has been sought from Local Government forcing new ways of working, co-operation and general efficiency.

CMT have briefly examined the proposals. Some are politically unacceptable (and have been excluded from the figures below) and some effect staffing numbers and who provides the service. Further detailed work is required on the proposals, which change who and how some services are provided, but there are immediate budget savings and extra income that can be achieved relatively easily.

CMT will want to discuss both with Members and Unison the implications relating to changed services in due course. Apart from the service cut of £44k provisionally estimated below it is possible to provide similar services as at present but not necessarily delivered in the same way or by the same structure. There will be initial one-off costs associated with these changes.

As an illustration of each category of saving is shown the following table;

Item	£'000
General Budget Reductions	98
Additional Income	179
Service Delivery Change	144
Service Efficiency Gains	295
Service Cut	44
Total to date	760

These draft proposals go some way towards meeting the strategic savings required but do not go deep enough with respect to improvements in efficiency. This has to be achieved through co-operation with other agencies within and outside local government.

In broad terms it would be possible to achieve at least a third i.e. £250k of the above savings during 2008/9 and the balance over the following two years.