
Audit Committee

20th October 2014

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

Director Approving Submission of the report:

Executive Director Resources

Ward(s) affected:

All

Title:

Transformation and JEEP Programmes Financial Savings Update

Is this a key decision?

No

Executive Summary:

The purpose of this report is to provide the Audit & Procurement Committee with an update on the financial savings anticipated from the Council's Transformation Programme and the final position in relation to achievement of the JEEP (Justify Expenditure, Examine Performance) financial savings. It is anticipated that the abc Programme will have delivered additional savings of £15.8m in 2014/15 and total annual savings over the 5 year course of the Programme to date of nearly £50m. The JEEP Programme will deliver savings of £195,000 in 2014/15.

Recommendations

Audit and Procurement Committee is recommended to:

- a) note the forecast Transformation Programme financial savings and the final position in relation to the JEEP Programme,
- b) consider whether there are any issues which it wants to refer to the Cabinet Member (Strategic Finance and Resources) or the Finance and Corporate Services Scrutiny Board.

List of Appendices included:

None

Other useful background papers:

None.

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No.

Report title:

Transformation and JEEP Programmes Financial Savings Update

1. Context (or background)

- 1.1 The abc Programme - A Better Council for A Bolder Coventry – was launched in June 2009. The fundamental objective of the programme was to achieve better value for money measured principally through reductions in the costs of delivering services. The JEEP Programme (Justify Expenditure, Examine Performance) was launched in 2013 to identify everyday changes to save money suggested by staff.
- 1.2 This report outlines the degree to which existing 2014/15 abc savings targets are forecast to be achieved and where further action is required to deliver savings. It does not report in detail, savings targets set for previous years where these have already been fully delivered.
- 1.3 The report also identifies the final savings position in relation to the JEEP Programme.
- 1.4 It is anticipated that the abc Programme will have delivered additional savings of £15.8m in 2014/15 and total annual savings over the 5 year course of the Programme to date of nearly £50m. The JEEP Programme will deliver savings of £195,000 in the 2014/15.

2. Options considered and recommended proposal

- 2.1 This report does not set out any options. It reports the forecast financial position.

The abc Programme

- 2.2 The October 2013 Transformation Programme Financial Savings Report to Audit and Procurement Committee reflected abc several projects where savings had fallen short of their target. The latest position on these items is as follows:

Commercial Waste (£190,000 shortfall reported previously) – The shortfall in this area now stands at c£100,000. A price increase of 8% has helped to bridge the gap and other management actions have meant that this is not a budgetary control pressure in 2014/15. However, further action will be required to ensure that the remaining target is delivered on an on-going basis including consideration of further price increases.

Corporate Transport (£75,000 shortfall reported previously) – This saving has now been delivered.

Sustainability and Low Carbon (£25,000 shortfall reported previously) – This saving has now been delivered.

CLYP Programme (£3.3m shortfall reported previously) – This saving was removed as part of the 2014/15 Budget which recognised that it was not possible to achieve the target as a result of an increasing population of children, higher numbers of contacts, referrals and caseloads and early intervention services now supporting more families.

CCTV (£59,000 shortfall reported previously) - This saving has now been delivered.

Early Intervention Grant (£700,000 shortfall reported previously) - This saving was removed as part of the 2014/15 Budget.

2.3 The following table sets out the current forecast for new or additional savings targets in 2014/15.

	Savings Target £000	Expected Achievement £000
Public Health	(500)	(500)
Strategic Commissioning & Procurement	(3,000)	(3,000)
A Bolder Community Services (ABCS)	(5,000)	(5,000)
Special Educational Needs & Disability	(500)	(500)
Commercialisation/Income Maximisation	(1,500)	(1,500)
Financial Management/Money Matters	(705)	(705)
Review of LEA Functions	(500)	(500)
Strategic Review of Business Rate Growth	(2,000)	(2,000)
Reduce Demand for Council Services (includes £500k not delivered in 2013/14)	(1,000)	0
Strategic Asset & Property Review	(500)	(500)
Headcount Reduction Strategy	(500)	(500)
Future Shape of the Council	(500)	(500)
Review Neighbourhood Services	(300)	(300)
Cultural Trusts	(273)	(273)
	(16,778)	(15,778)

2.4 In total, the current forecast saving for the new savings in 2014/15 is £15,778k compared with the target of £16,778k. The shortfall relates to the Reducing Demand for Council Services saving for which no separate specific work-stream has been pursued. The saving in this area rises to £3m next financial year and this will now be incorporated within the budget setting process for 2015/16.

2.5 Although there will not be a separate saving line for Reducing Demand for Council Services in the 2015/16 Budget Setting proposals, other savings will be identified within the Budget that will align to the concepts behind the original saving. These savings will be linked to programmes including Kickstart and the Customer Journey and the establishment of a new Customer Contact Centre in Broadgate House. They will affect how users of Council services transact with the Council, move an increasing number of services on-line, reduce the number of locations that services are delivered from and affect the range and level of services that are provided.

2.6 The total of planned savings across all years of the programme to the end of 2014/15 based on original abc targets was £55.6m. Based on the latest position it is now anticipated that savings of £49.8m will be achieved. The shortfall is the result of savings not achieved in reviews referenced above (CLYP, Reducing Demand for Council Services, Early Intervention Grant and Commercial Waste).

The JEEP Programme

2.7 The report also sets out the final position in relation to JEEP Programme savings. In February 2014, Audit & Procurement Committee received a report that showed the following savings, amounting to £62,500 had already been delivered.

	£
Reduce no of Leaflets	(50,000)
Re-Use Used School Furniture	(500)
Fewer Citivision Issues	(12,000)
Total	(62,500)

2.8 Since then further savings of £132,500 have been identified or confirmed.

	£
Christmas Closedown	(60,000)
Unpaid Leave for Staff	(66,000)
Bin Collection Timetable	(6,500)
Total	(132,500)

Together with the previously confirmed savings above this means that savings arising directly from JEEP proposals now amount to £195,000.

2.9 Other measures that have been implemented by the City Council or are in process are aligned to several of the proposals that were made during the JEEP Programme. The move to Friargate (Use of cheaper office blocks) is due to save £500,000 as a direct result of using Council buildings more effectively, the closure of Elm Bank (Elm Bank overspill parking costs) will save c£330,000 and use of Council Fibre instead of BT indicates savings of £20,000. These savings were consistent with proposals made during the JEEP Programme rather than being driven directly by the Programme and the relevant savings have been earmarked to the delivery of other projects.

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