

GROWTH & INFRASTRUCTURE SCRUTINY COMMITTEE
UPDATE ON THE DELIVERY OF PLANNED SAVINGS FOR 2011/12 &
PROJECTIONS FOR FUTURE YEARS

Report by the Director of Environment and Economy

Purpose

1. This report informs the G&I Scrutiny Committee (G&ISC) of the progress made in the delivery of planned savings for 2011/12 and provides an update on the projections for future years.

Background

2. On 9th February 2011, the Council approved the E&E Business Strategy reporting the estimated saving figure of £13.24m for 2011/12. The estimated cumulative saving position across the MTFP period (to the end of 2014/15) was reported as £31.8m.
3. The Directorate Leadership Team (EELT) have started to operate as the Business Strategy Delivery Board since May 2011 and regularly review the business strategy targets in terms of both outcome and savings delivery, using the scorecard template (Annex 1).
4. As part of this arrangement, the EELT has identified key business strategy deliverables which are considered as crucial to the delivery of the Directorate Business Strategy or as key measures of success for the delivery of the Corporate Plan.
5. This report is the first Savings Update to the G&ISC during the 2011/12 financial year. It covers the results of the August 2011 performance monitoring on these key E&E business strategy deliverables.

Overall Progress

6. Overall, work is progressing well in a number of key business strategy areas with risks being clearly identified and effectively managed. The Directorate is on track to achieve the 2011/12 savings targets and on track to achieve projected savings for future years.
7. Annex 1 provides a summary of progress against the savings targets for the MTFP period. It also details the planned projects to deliver the savings or to improve service to customers.
8. Annex 1 shows that the 82% of the savings target for 2011/12 (£13.2m) has already been achieved and the status of 16% of the remaining target is Green (i.e. expected to be delivered within the current financial year).

9. The overall position for the saving target across the 2011-15 period is also positive given that the 35% of the cumulative savings target (£31.8m) has already been achieved and the 51% of it is on track to be delivered within the planned timetable. The remaining 14% of the target is reported as Amber (13%) or Red (1%) indicating that that the level or the delivery timetable for the savings may be updated as part of the S&RP process.

Key Issues

10. There is currently only one area of planned efficiencies which is not on track for 2011/12: the Street Lighting (Part-Night Lighting) Programme. Following detailed dialogue with the energy provider, the expected budget savings for the part-night lighting programme can no longer be met. It is the energy provider's view that significant reductions in energy usage will result in energy cost increases. This will not realise the expected savings. Therefore, the invest-to-save business case is fundamentally not achievable.
11. A revised outline proposal is under preparation which utilises the stock of purchased photocells (c3000) along with a recommendation to release funds back into the capital allocation.
12. The proposed changes to the way we will be charged for energy by our power provider will have a negligible effect on our energy budget as the higher cost of consumption at peak times will be offset by lower rates for lighting during off peak periods. The change to this tariff provides potential savings as it is excluded from the Government's Carbon Reduction Commitment. Based on the current guidelines, using this tariff would provide an annual saving of c£130k to OCC up to 1 April 2014.
13. The revised proposal for electronic dimming will be reviewed by Highways & Transport Leadership Team in mid-September and the results of this review will be reported to the Capital Star Chamber in October 2011. Unrealised savings will be met from Highway & Transport budgets.

Conclusion

14. Overall, the Directorate is on track to achieve the 2011/12 savings targets and on track to achieve projected savings for future years. Any key issues or changes to the planned level savings will be reported to the members as part of the S&RP process and will be considered during the directorate or capital star chambers, before being submitted to Scrutiny in December.

HUW JONES
Director for Environment & Economy
September 2011

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Environment & Economy Directorate, Director's Office, Tel: 07824 416661*

Environment and Economy – Balance Score Card

Customer				Finance																																																																																										
Customer Focus	A	Transport	G	Directorate Savings & Status of New Funding <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th></th> <th>2011/12 £m</th> <th>2012/13 £m</th> <th>2013/14 £m</th> <th>2014/15 £m</th> <th>Total £m</th> <th>Total %</th> </tr> </thead> <tbody> <tr> <td>Done</td> <td>-10.792</td> <td>-0.352</td> <td>0.000</td> <td>0.000</td> <td>-11.144</td> <td>35%</td> </tr> <tr> <td>G</td> <td>-2.129</td> <td>-5.630</td> <td>-5.900</td> <td>-2.493</td> <td>-16.152</td> <td>51%</td> </tr> <tr> <td>A</td> <td>-0.269</td> <td>-2.564</td> <td>-0.174</td> <td>-1.153</td> <td>-4.160</td> <td>13%</td> </tr> <tr> <td>R</td> <td>-0.050</td> <td>-0.100</td> <td>-0.100</td> <td>-0.100</td> <td>-0.350</td> <td>1%</td> </tr> <tr> <td>TOTAL</td> <td>-13.240</td> <td>-8.646</td> <td>-6.174</td> <td>-3.746</td> <td>-31.806</td> <td>100%</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th></th> <th>2011/12 %</th> <th>2012/13 %</th> <th>2013/14 %</th> <th>2014/15 %</th> <th>Total %</th> </tr> </thead> <tbody> <tr> <td>Done</td> <td>82%</td> <td>4%</td> <td>0%</td> <td>0%</td> <td>35%</td> </tr> <tr> <td>G</td> <td>16%</td> <td>65%</td> <td>96%</td> <td>67%</td> <td>51%</td> </tr> <tr> <td>A</td> <td>2%</td> <td>30%</td> <td>3%</td> <td>31%</td> <td>13%</td> </tr> <tr> <td>R</td> <td>0%</td> <td>1%</td> <td>2%</td> <td>3%</td> <td>1%</td> </tr> <tr> <td>TOTAL</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table> Analysis of R Savings <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Street Lighting</td> <td>-0.050</td> <td>-0.100</td> <td>-0.100</td> <td>-0.100</td> <td>-0.350</td> </tr> </tbody> </table>								2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	Total £m	Total %	Done	-10.792	-0.352	0.000	0.000	-11.144	35%	G	-2.129	-5.630	-5.900	-2.493	-16.152	51%	A	-0.269	-2.564	-0.174	-1.153	-4.160	13%	R	-0.050	-0.100	-0.100	-0.100	-0.350	1%	TOTAL	-13.240	-8.646	-6.174	-3.746	-31.806	100%		2011/12 %	2012/13 %	2013/14 %	2014/15 %	Total %	Done	82%	4%	0%	0%	35%	G	16%	65%	96%	67%	51%	A	2%	30%	3%	31%	13%	R	0%	1%	2%	3%	1%	TOTAL	100%	100%	100%	100%	100%	Street Lighting	-0.050	-0.100	-0.100	-0.100	-0.350
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Transforming Customer Services	G	Park and Ride (charging)	G																																																																																											
Customer Services Centre Programme	G	Area Stewardship Fund	G																																																																																											
ICT Strategy, Delivery & Partnerships	G	Bus Subsidies	G																																																																																											
Services to Schools	A	Enterprise Partnership	G																																																																																											
Skills	G	Energy	A																																																																																											
Skills Statement & Strategy	G	Energy Strategy	A																																																																																											
Learning and Skills	A																																																																																													
Infrastructure	G	Environment	A																																																																																											
Asset Strategy Implementation	G	Minerals and Waste Framework	G																																																																																											
Waste Management	A	Climate Change Adaption Plan	A																																																																																											
Review of Joint Municipal Waste Strategy	A	Broadband	A																																																																																											
Projects																																																																																														
Corporate Procurement/ Commissioning (feasibility)	A	Flood & Water Management Act Implementation	G																																																																																											
Apprenticeships Scheme	G	Oxfordshire Infrastructure Framework Development	A																																																																																											
Integrated Transport 2 (previously reported as Community Transport 1)	G	Property Procurement Project	G																																																																																											
Highways Contract Implementation	A	Waste Recycling Centres Programme	A																																																																																											
Concessionary Fares Implementation Programme	G	Street Lighting- Part Lighting Programme	R																																																																																											