

CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE COMMITTEE

FOR DECISION

Title: 2008/09 EFFICIENCY SAVINGS REPORT & 2009/10 INITIAL
EFFICIENCY SAVINGS TARGETS

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Purpose

To report on the projected outcome of planned efficiency savings in 2008/09 and seek approval for planned initial efficiency saving targets for 2009/10.

Recommendations

The Finance Committee is requested to:

- a) Note the projected efficiency savings made against target for 2008/09.
- b) Approve the initial planned efficiency saving targets for 2009/10.

Executive Summary

This paper seeks to report on the annual efficiency savings projected to be achieved in 2008/09 and to seek approval for initial efficiency saving targets to be set for 2009/10.

As part of the Scottish Government's Grant in Aid 2008 to 2011, the Cairngorms National Park Authority is required to meet 2% annually recurring efficiencies. This equates to £90,000 of core costs in 2008/09, £180,000 in 2009/10 and £270,000 in 2010/11.

Whilst the overall level of efficiencies required are achievable, it should be noted that circumstances can arise where efficiency savings have to be made from areas other than originally targeted. For that reason approval is sought from the Finance Committee for targets to be set for 2009/10 on an initial basis, whilst acknowledging that efficiency savings may have to be made from other core areas as circumstances dictate.

2008/09 EFFICIENCY SAVINGS REPORT & 2009/10 INITIAL EFFICIENCY SAVINGS TARGETS - FOR DECISION

Background

1. A paper on the 2% requirement for annual recurring efficiencies 2008 to 2011 was brought to the Finance Committee in February 2008.
2. This current paper reports on the indicative Efficiency Delivery Plan represented in that paper for 2008/09.
3. This paper also sets out an indicative Efficiency Delivery Plan for 2009/10, based primarily on maintaining levels of expenditure at levels projected to be achieved in 2008/09.
4. The Efficiency Savings target of £90,000 for 2009/10 is set against the budgeted expenditure targets for 2008/09. The 2008/09 budget figures contained the original £90,000 efficiency savings required for that year. The 2009/10 targets therefore represent efficiency savings of £180,000 on the 2007/08 base year.

Annual Efficiency Savings 2008/09

5. Projected outcome of 2008/09 Efficiency Savings

Proposed Efficiency Actions in 2008/09	Cumulative Efficiency Saving per annum	Efficiency Saving Achieved
£15,000p.a. accommodation rationalisation;	15,000	Yes
£2,000p.a. reduction in internal audit coverage;	17,000	Yes
£3,000p.a. reduction in cost of legal services;	20,000	Yes
£3,000p.a. reduction in business travel and subsistence;	23,000	Yes
£6,000p.a. reduction in recruitment costs;	(1,000)	No, £24,000 overspend

Proposed Efficiency Actions in 2008/09	Cumulative Efficiency Saving per annum	Efficiency Saving Achieved
£30,000p.a. software licence rationalisation;	29,000	Yes
£5,000p.a. reduction in contracted ICT support;	34,000	Yes
£10,000p.a. reduction in website hosting and development;	44,000	Yes
£5,000p.a. reduction in ICT equipment replacement;	49,000	Yes
£11,000p.a. reduction in staffing through managing turnover.	60,000	Yes
Efficiency savings achieved in other areas of core expenditure:		
Efficiencies achieved in Training costs	74,000	£14,000
Efficiencies achieved in Relocation costs	84,000	£10,000
Additional savings achieved in managing staff turnover	90,000	£6,000

The Efficiency Savings target of £90,000 for 2008/09 is expected to be achieved. This will have been achieved despite an unexpected rise in recruitment costs, which have been offset by savings in other staff related areas.

Annual Efficiency Savings 2009/10

6. Efficiency Delivery Plan 2009/10 (£000's)

Core expenditure budget	Final 2008/09 expenditure budget	Indexing	Growth	Efficiencies	Initial 2009/10 expenditure budget	Notes
Staff salary costs	2,055	40	165	-30	2,230	i.
Training	80	0		-8	72	ii.
Relocation	15	0		-8	7	ii.
Utilities	20	0		-2	18	ii.
Stationery	32	1		-9	24	ii.
Postages	10	0		-1	9	ii.
Library	15	0		-6	9	ii.
IT support	88	1		-26	63	ii.
Total	2,315	42	165	-90	2,432	

Notes:

- i. Efficiency savings reflect staffing changes in Human Resources and Strategy & Communications during 2008/09.
- ii. Target levels of expenditure for 2009/10 are similar to projected levels of final expenditure for 2008/09.

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