

Appendix D

Final position on Herefordshire Connects benefits realised for 2009/10

The report sets out the final position in achieving the £700k savings target set for 2009/10. The table below shows the final out-turn:

Benefit		Saving Achieved
Printer Rationalisation Project	Procurement	100,000
Procurement Savings – WMS Supplies	Procurement	78,000
Agency Spend	Procurement	90,000
Reduction in Transport Costs Project	Procurement	66,000
De-commissioning of Systems – QAS system – Savings of £30k	Technology & Integration	30,000
De-commissioning of Systems Savings in Adult Social Care	Integrated Environment Regeneration System Integrated Solution for Social Care	43,000 200,000
Savings in Children's Services	Integrated Solution for Social Care	16,000
Savings in Strategic Housing (homelessness)	Integrated Solution for Social Care	10,000
Reduction in travel expenses	BPR	67,000
	TOTALS	700,000

The total savings requirement of £700k has been achieved; however, in some instances the savings identified are not recurrent. This is because delays in the programme made it difficult to fully achieve the range of savings originally assumed.

It is envisaged that additional savings can be achieved over and above the 2010/11 target of £1m to enable the £700k to be achieved on an on-going basis.

Examples of non-recurrent savings include the £66k within the transport project. Work on the transport project was not sufficiently advanced to deliver any contract savings in 2009/10, however a one-off procurement saving of £66k in purchasing school mini-buses has been identified to compensate for the delay in savings achievement.

The transport project is expected to deliver on-going savings in 2010-11 as opportunities for contract re-negotiation arise.

Commentary on savings realised:

- a) Detailed analysis of data produced on the new printer contract suggests significant savings are being delivered against the previous printing solution. The saving of £100k achieved is in addition to the £100k of savings pulled out of budgets in 2008/09. Further savings through on-going rationalisation are expected.
- b) Procurement compliance on the WMS contract has delivered a £78k saving in terms of increased dividends through greater usage.

- c) An overall saving of £90k has been achieved through agency procurement. At the start of the year only 51% of all agency spend was with Pertemps, but by the end of 2009/10 greater monitoring and compliance had increased the amount to 69%.

The average saving on Pertemps rates against other agency rates suggests a saving of at least £70k on the old rate, and a further £20k on the reduced rate that was introduced in January through re-negotiating the contract until March 2011. In 2010/11 increased savings are expected with a full year of the reduced Pertemps rate and further reductions in the amount of rogue agency spend.

- d) Savings in the support of the large number of legacy systems now replaced by integrated solutions achieved a total of £73k.
- e) The implementation of Frameworki has delivered £200k of staff savings within Adult Social Care and a further £16k within Children's Services. A £10k saving within Strategic Housing has been achieved through system improvements.
- f) Analysis of mileage claimed since the introduction of the new mileage form suggests significant savings are being delivered. Sampling of mileage claims shows that in general staff are claiming less.

In overall terms, directorate mileage has under-spent by over £100k. This is partly due to management action to reduce journeys; however an assessment of the mileage claim evidence produced suggests approximately £67k of savings being delivered by the new form.