

## Supplementary note – Scrutiny 16<sup>th</sup> September 2019

### Revenue budgets 2020-23 - latest position and savings proposals

A query has been raised regarding the list of savings proposals contained in this report and why any potential savings from the Recycling initiative, as outlined in the report that was approved at Full Council on Wednesday 10<sup>th</sup> July 2019 (“Recycling Report”), were not included.

The Recycling Report stated (**emphasis supplied**):

“38. The revised cleansing methodology and the two-year Contract extension should provide service efficiencies and financial benefits for the Council. A saving on the current Waste and Cleansing Contract from the adoption of the proposal would see circa £200k reduction in the current Waste and Cleansing Contract price. The savings on cleansing would be realised from the reduction of spillage from the proposed methodology. **It is proposed the realised efficiencies of the Contract will help towards balancing the Councils revenue budget. The Council would retain a service contingency budget to support the implementation / transition to the revised service and to ensure existing collection and cleansing standards are maintained. This practice has been adopted for other significant service changes including; the Urbaser appointment for the Waste and Cleansing Contract, the establishment of the Leisure Trust and the Liberata partnership.**”

The amount of the contingency budget is yet to be determined. Whilst savings are foreseeable, the priority of the Executive is to ensure *inter alia* a better service for residents, improve recycling and introduce a more efficient cleansing methodology. Members are aware that the recycling bins are currently being distributed. We will have a better idea on the appropriate level of contingency when we approach the setting of the budget in February.

The Recycling Report stated that circa £200k savings would be realised from a reduction in the current Waste and Cleansing Contract price. However, it is also envisaged that this saving would be realised in phases over three years (2020 to 2023) as operational efficiencies take effect.

The savings profile and level of contingencies to be held for unforeseen operational costs are dependent on the successful implementation phase of this project, which has already started. Therefore, once the initial implementation phase has progressed, a further assessment of the project will be made which will determine the profile of the £200k savings into its relevant financial years, as well as an assessment of the adequacy of any contingencies. In addition, the Executive at the meeting of 18<sup>th</sup> June 2019 committed to a review to be undertaken post implementation of the areas that initially will not be provided with bins for recycling. The Executive’s position with regards to the contingency budget will also take this into consideration.

This will be presented as part of the budget report to February 2020’s Full Council, which is the formal meeting where the budget for 2020/21 will be set.