

From: Barry Colford
Sent: 20 August 2012 16:18
To: [REDACTED]
Cc: [REDACTED]
Subject: FETA efficiency savings 2011/12

The following is the extract from the final Quarter 2011/12 FETA Monitoring Report. The text in red is additional and relates to what are considered to be efficiency savings.

Revenue expenditure compared to budget 2011/12

3.1 Details of the final position on revenue expenditure compared to budget 2011/12 are shown in the table below:

REVENUE	Budget £'000	Expenditure £'000	(Under) / Over £'000
<u>Administration</u>			
Employee Costs	640	601	(39)
Other costs	937	897	(40)
	1,577	1,498	(79)
<u>Maintenance</u>			
Employee Costs	1,594	1,436	(158)
Other costs	742	626	(116)
	2,336	2,062	(274)
<u>Traffic Operations</u>			
Employee Costs	976	1,119	143
Other costs	334	232	(102)
	1,310	1,351	41
<u>Income</u>	(123)	(125)	(2)
Net Revenue Expenditure	5,100	4,786	(314)

3.2 The under spend in revenue is due to;

- (i) Employee costs – under spend £0.054m – savings associated with vacant posts not being filled and turnover. There were also internal staffing movements between Maintenance and Traffic Operations. *It is considered that all this saving £54,000 was due to efficiencies in doing the same with less staff resource.*
- (ii) Administration other costs – under spend £0.040m – Under spends/deferrals on ICT costs (£0.038m), CEC support costs (£0.032m) and other expenses (£0.021m), off-set by an increase in legal fees (£0.051m). *It is considered that the total saving of £40,000 was due to efficiency saving. It would have been increased by £51,000 but we had to pay this sum to pay legal fees for the pier defences cathodic protection action. .*
- (iii) Maintenance other costs – under spend £0.116m. Hanger Cradles (£0.056m) were budgeted in Revenue but charged to Capital at the year-end. The balance relates mainly to maintenance spend

being below budget within the Anchorages, Main Towers and Workshops. *Of the balance (£0.116m minus £0.056m = £60,000) all was due to efficiency savings.*

- (iv) Traffic Operations – under spend £0.102m – Weather emergency and communications was under budget by £0.065m. The weather emergency budget was increased 2011/12 due to severe weather which saw the bridge closed in December 2010. Expenditure in this area during the year was less than budget because the winter was not as severe. The balance relates to under spends in various other budget headings. *Of the balance (£0.102m minus £0.065m = £37,000) all was due to efficiency savings.*

In summary, the total efficiency savings for 2011/12 are estimated to have been Employee
Costs £54,000

Admin other costs	£40,000
Maintenance other costs	£60,000
Traffic Ops	£37,000
Total	£191,000

This figure of £191,000 is the estimate of the total sum of the efficiency savings made by FETA during 2011/12 and represents 3.99% of the actual revenue budget for 2011/12.

Regards,

Barry