

FORWARD LOOKING ANNUAL EFFICIENCY STATEMENT 2006/07

PORTFOLIO RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

30TH MARCH, 2006

Wards Affected

No Wards are affected.

Purpose

To receive a report on the Council's strategy for achieving service efficiencies for 2006/07.

Key Decision

This is not a Key Decision.

Recommendation

- That (a) the Council's overarching strategy for securing efficiency gains as set out in Appendix A be agreed; and
- (b) the list of efficiency gains as set out in Appendix B be agreed.

Reasons

Cabinet Members need to ensure that the Council's strategy for achieving efficiencies are aligned to the objectives of the Corporate budget and Plan.

Considerations

Background

1. The Council is required to provide a Forward Looking Annual Efficiency Statement for 2006/07 as part of the wider Gershon Agenda. It needs to identify as a minimum a cumulative total of £6.619m by the end of 2006/07. This includes the ongoing gains of £3.31m for the current year. It needs to be stated at this stage that it becomes increasingly more difficult for services to demonstrate efficiency gains year on year and there will be a requirement to demonstrate a further £3.31m in 2007/08.
2. At least half of these efficiency gains need to be 'cashable', i.e.: releasing additional cash resources, and £1.65m has been included in the revenue budget for 2006/07 accordingly. The remaining efficiencies are non-cashable and where possible these have been linked to performance gains on key service indicators within the Corporate Plan. This is by no means an exact science and there is limited national guidance on how to calculate efficiency gains in this manner. In this respect some of the non cashable savings currently identified need to be clarified to ensure they are acceptable. The Council has sought to apply a relatively consistent methodology in

Further information on the subject of this report is available from
Andrew Tanner, Assistant County Treasurer on 0162

doing this, however the most important point is that these gains are linked to the priority service improvement objectives within the Corporate Plan. Examples therefore of such gains are in:

- Street Cleansing;
 - Independent living for older people;
 - Minimising the amount of landfill waste;
 - Reducing serious casualties on the roads; and
 - Increasing take up of Council Tax Benefit.
3. Appendix B contains the detailed list of efficiencies and these will contribute to the main part of the Efficiency Statement itself. These will however change during the year and be formally reviewed for the interim monitoring statement half way through the year. The Council is also obliged to take a retrospective look at efficiencies gained during 2005/06 and this exercise will take place early in 2006/07.
4. Appendix A contains a brief and overarching strategy for ensuring efficiency gains and this focuses not only on some of the good work already carried out in the Council, such as:
- Rationalising office accommodation;
 - Setting up a central recruitment centre and a
 - Comprehensive absence management programme,
- but also the Corporate Strategy Review which aims to have a major and beneficial impact on all services. The outcomes of this review are unlikely to have a significant impact in terms of realising efficiencies in 2006/07 but are intrinsic to the overall strategy.
5. The formal Efficiency Statement needs to be signed off by the Leader, Chief Executive and Director of Resources by 18th April and submitted on that day to the Office of the Deputy Prime Minister. In view of the contents of this report it is not envisaged there will be any substantial changes when this is submitted but, if there are, they will be communicated to Cabinet Members.

Alternative Options

There are no alternative options.

Consultees

There are no consultees.

Risk Management

The corporate budget for 2006/07 was balanced by applying a level of efficiency savings across all services. A failure to realise these efficiency savings may impact on services'

ability to deliver their objectives within the corporate, directorate and service plans. An ongoing commitment to efficiency savings and gains is necessary in the light of both the current corporate financial position but also the likely future position with very tight central financial settlements.

Background Papers

None identified.