

Report to: **Executive Committee**
Date: **25 May 2007**
Report of: **Executive Member for Resources**
Subject: **Annual Efficiency Plan – Forward look 2007/2008**
Ward: **All**

1.0 Purpose of the Report

- 1.1 To confirm the content of the Annual Efficiency Statement for 2007/8.

2.0 Consultation

- 2.1 The report was distributed to the Leader of the Council and Chief Executive prior to submission to the Department of Communities as required. The report has also been distributed to the Management Team and discussed by other leading members.

3.0 Background

- 3.1 Members will recall the Gershon efficiency agenda, which arose from the 2004 Spending Review.
- 3.2 The forward statement for 2007/8 is the last in the current round of 3 years. Appendix 1 is a table of the efficiencies and reflects the continuation of the strategy and efficiencies identified within the 2007/8 budget round. The content is included in the actual Annual Efficiency Statement for 2007/8, which was forwarded electronically to meet the deadline of the 12th April 2007.
- 3.3 The Council's initial target amounts to just under £1.77M in total for the 3-year period. The target is divided equally between Cashable and Non Cashable efficiencies
- *Cashable* are represented by the creation of direct financial savings, which can be released for other areas of spending or minimising council tax increases.
 - *Non Cashable* is represented by increased performance and quality basically for the same cost. An example is where poor sickness hampers performance and subsequent management action reduces sickness, increases capacity and performance increases as a result of the action.
- 3.4 The original target is based on the 2004/5 general fund and capital budgets. However we are advised that Council's can also count efficiencies in respect of the Housing Revenue Account.
- 3.5 The Annual Efficiency Statement has to be certified by the Leader of the Council, the Chief Executive and the Director of Finance and Corporate Services (Section 151 Officer).

4.0 Estimated efficiencies to 2007/8

- 4.1 The estimated efficiencies to date including the 2007/8 forecast are set out below. If realised our un-audited/estimated achievements to date, including 2004/5 will be as follows:

	Cashable	Non-Cashable	Overall
2004/5	560	302	862
2005/6	1047	435	1482
2006/7	817	317	1134 (to be verified)
2007/8	504	205	709 (to be verified)
Totals	2928	1259	4187
Target	885 (+2043)	885 (+374)	1770 (+2417)(Provisional)

- 4.2 The estimated efficiencies for 2007/8 have been calculated from the following sources of information.
- Efficiency initiatives contained in Executive/Scrutiny reports.
 - Service plans 2006/7 to 2008/9
 - Medium Term Financial Plan 2007/8 to 2009/10
 - Efficiencies identified in 2007/8 budgets.
- 4.3 In considering the position to date it should be noted that non-cashable efficiencies are likely to be in excess of those disclosed in the statement because in some cases the efficiency cannot be calculated. The statement has been prepared on the basis of efficiencies that can be easily identified and evidenced.
- 4.4 The report acknowledges that the above position is provisional and it is likely particularly for 2007/8 that slippage may reduce the actual efficiencies gained. This will be conformed after year-end performance information is available and finalisation of the 2006/7 accounts.
- 4.5 Finally from the information above the Council will exceed the original 3-year target albeit the figures are likely to change slightly as final returns are submitted.

5.0 Proposals

- 5.1 The actual statement set out in appendix 2 was submitted to the Department of Communities by the 12th April deadline. The Leader, Chief Executive and Director of Finance and Corporate Services (Section 151 officer) have agreed the statement as required.

6.0 Implications

6.1 Policy

None.

6.2 Financial

None

6.3 Legal

None

6.4 Risk

None

6.5 Communications

None.

7.0 Corporate Implications

7.1 Equality and Diversity

None

7.2 Procurement

None

7.3 Electronic Service Delivery

None

8.0 Recommendation

- 8.1 The Committee is asked to retrospectively agree the contents of the Annual Efficiency Statement for 2007/8.

Background Papers

ODPM – Delivering Efficiencies in Public Services
Efficiency Technical Notes – March 2007
Service Plans 2006-2008

