

Report To:	Policy and Resources Committee	Date: 22 May, 2018
Report By:	Chief Financial Officer	Report No: FIN/52/18/AP
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
Subject:	2017/18 Efficiency Performance	

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the level of efficiencies achieved by the Council in 2017/18 and to approve the Annual Return which is to be returned to Cosla.

2.0 SUMMARY

- 2.1 All Councils are required to make an Annual Return in respect of efficiencies achieved which Cosla co-ordinates and submits to the Scottish Government. The Government has agreed to treat the Council's Efficiency Statement with a light touch and the information is at a high level.
- 2.2 The return has to be signed by the Chief Executive and the draft return is attached as Appendix 1. It can be seen that in 2017/18 the Council achieved recurring efficiency savings of £1.467 million.
- 2.3 The Council has delivered over £19.5 million of recurring efficiency savings over the period 2008/18 (Appendix 2) and plans to deliver a further £1.932 million by 31 March 2019 and a further £1.459 million in 2019/20. Therefore by 31 March 2020 the Council will have delivered recurring efficiency savings of almost £23 million over a 12 year period. This is clearly helping the Council protect front line services at a time of ongoing reductions in funding. In addition to this the Council has reinvested a further £4.6 million saved to date generated by the School Estates Management Plan. This is excluded from figures as it has been fully reinvested in new/upgraded schools.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the achievement of £1.467 million recurring efficiency savings in 2017/18 and approves the submission of the annual return to Cosla.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 It is requirement of all Councils to make an Annual Return in respect of efficiencies achieved and submit this to Cosla which co-ordinates it on behalf of the Scottish Government. In return for this the Government has agreed to treat the Council's Efficiency Statement with a light touch.

5.0 2017/18 EFFICIENCY PERFORMANCE

5.1 The draft return is attached as Appendix 1. It can be seen that in 2017/18 the Council achieved recurring efficiency savings of £1.467 million.

5.2 Based on these figures the Council has achieved over £19.5 million of recurring efficiency savings over the 10 year period 2008/18 (Appendix 2) and is on target to achieve a further £1.932 million by 31 March 2019 and £1.459 million by 31 March 2020. At the end of the 12 year period 2008/20 the Council will have delivered recurring efficiency savings of almost £23million per year. This is clearly helping the Council protect front line services at a time of ongoing reductions in funding. In addition to this the Council has reinvested a further £4.6million saved to date generated by the School Estates Management Plan. This is excluded as it has been fully reinvested in new/upgraded schools.

5.3 The Council's main drivers for the identification and delivery of efficiencies and business transformation are:

1. The Delivering Differently Programme
2. The Budget Process/Financial Strategy

Once projects are approved, progress against delivery is closely monitored by Directorate Change Boards and the CMT.

6.0 IMPLICATIONS

Finance

6.1 The financial information is detailed at Appendix 2 of the report.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A	Various	08/20	(22.944)		

Legal

6.2 Any legal implications arising from these efficiencies were addressed as part of the savings exercise.

Human Resources

- 6.3 Any HR implications arising from these efficiencies were addressed as part of the savings exercise.

Equalities

- 6.4 Any equalities issues arising from these efficiencies were addressed as part of the savings exercise

Repopulation

- 6.5 Achieving efficiencies helps protect front line service delivery which will assist in retaining people within the area.

7.0 CONSULTATION

- 7.1 The CMT has approved the proposed return to Cosla.

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2017-18

1	Local Authority Name	Inverclyde
2	Total cash efficiency achieved for 2016-17 £'000	£1.467 million
3	Summary of efficiency activity e.g. The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas. The main information that the local authority uses to assess productivity, service quality and performance and how the scope, usefulness or reliability has been improved during the year. Specific steps the local authority has taken during the year to improve collaboration and joint working to deliver efficient and user-focussed services and the improvements achieved.	Efficiencies are identified as part of the budget processes as part of the general savings development. The savings included here were identified as far back as February 2015. The efficiencies cover a wide range of areas including asset management, service commissioning, streamlining bureaucracy, procurement and increased turnover targets.
4	Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000 (only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.	Procurement = £0.16 million Shared Services = 0 Asset Management = £0.202 million
5	Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	Use of Councils Performance Management Framework and regular monitoring of service impact.

Signed (Chief Executive or equivalent)

Signed (if applicable)..... (Council Leader or equivalent)

Date

Efficiencies - 2008/9 to 2017/18

<u>Year</u>	<u>£million</u>	<u>Comment</u>
2008/9	1.966	Per Efficiency Statement
2009/10	1.922	Per Efficiency Statement
2010/11	2.864	Per Efficiency Statement
2011/12	1.754	Per Efficiency Statement
2012/13	2.096	Per Efficiency Statement
2013/14	1.430	Per Efficiency Statement
2014/15	1.763	Per Efficiency Statement
2015/16	1.741	Per Efficiency Statement
2016/17	2.550	Per Efficiency Statement
2017/18	1.467	Per Efficiency Statement
Total	<u>19.553</u>	

Note: Excludes £4.6 million efficiencies generated by the School Estate Management Plan which have accumulated since 2006. These savings have helped fund new replacement schools.

The 2018/19 Budget contains £1.932 million of efficiency savings.
The CMT monitor delivery of these savings throughout the year.