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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>13<sup>th</sup> August 2013</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/45/13/AP/CM</b>
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<b>Subject:</b>	<b>2012/13 Efficiency Performance</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to advise Committee of the level of efficiencies achieved by the Council in 2012/13 and to approve the Annual Return which is to be returned to Cosla by 27<sup>th</sup> August 2013.

## **2.0 SUMMARY**

- 2.1 It is a requirement of all Councils to make an Annual Return in respect of efficiencies achieved and submit this to Cosla who co-ordinate this 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.
- 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 2012/13 the Council achieved recurring efficiency savings of £2.096 million. Appendix 2 provides more detail and also a projection in respect of 2013/14 efficiencies.
- 2.3 Based on these figures the Council is on target to achieve £12.2 million of recurring efficiency savings over the six year period 2008/14 (Appendix 3). 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 the £4.4 million saved to date generated by the School Estates Management Plan. This is excluded as it has been fully reinvested in new/upgraded schools.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee note the achievement of £2.096 million recurring efficiency savings in 2012/13 and approve the submission of the annual return to Cosla by 27<sup>th</sup> August 2013.

Alan Puckrin  
Chief Financial Officer

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2012-13

1	<b>Local Authority Name</b>	Inverclyde Council
2	<b>Total cash efficiency achieved for 2012-13 £'000</b>	£2.096 million
3	<p><b>Summary of efficiency activity e.g.</b></p> <p>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.</p> <p>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.</p> <p>Specific steps the local authority has taken during the year to improve collaboration and joint working to deliver efficient and user-focused services and the improvements achieved.</p>	<p>£1.923 million of the achieved savings came from the Councils Workstream programme with the main savings being:</p> <ul style="list-style-type: none"> <li>- Procurement £0.4million</li> <li>- Management Restructure £0.19 million</li> <li>- Increasing the working week £0.86 million</li> <li>- Service Reviews £0.37 million</li> </ul> <p>Efficiencies are identified via the budget process and supported by impact sheets. The Council takes a robust view of savings which count towards efficiency targets.</p> <p>The Council continues to increase joint working via the CHCP, the development of a Pan-Renfrewshire Shared Service agenda and collaborative procurement with neighbouring Councils. The Council is also utilising the benchmarking information generated from the Solace benchmarking information to further analyse costs and identify possible efficiencies.</p>
4	<p><b>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000</b></p> <p>(only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.</p>	<p>Procurement = £399k</p> <p>Shared Services = N/A</p> <p>Asset Management = N/A</p>
5	<b>Evidence:</b> What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	Via the Councils Performance Management Framework performance is regularly measured and reported. As stated above the Council takes a conservative view when classifying savings as efficiencies.

Signed ..... (Chief Executive or equivalent)

Date .....

APPENDIX 2

**Workstream Efficiencies (Per 26th February 2013 Finance CMT Update)**

	2012/13 £000	2013/14 £000	Future Years £000
1/ Senior Management Restructure (April 2012)	189	82	303
2/ Review Committee Support *	-	20	-
3/ Operating Model - March 2011	50	11	-
- November 2011	38	179	-
4/ CVSSS Alternative Savings - Finance/HR	12	78	148
5/ Facilities Management - Janitors	76	-	-
- Catering/Cleaning	32	52	-
6/ Utilities #	-	100	50
7/ Procurement	299	253	160
8/ 37 Hour Working Week	862	71	-
9/ Commissioning - Supported Living	100	40	-
- Staffing	-	39	-
10/ Home Care Service Review	150	125	75
11/ LET Review	79	5	16
12/ Early Years FYE	36	-	-
	<u>1923</u>	<u>1055</u>	<u>752</u>

\* Ignores £10k top-slice to Members Salary budget

# Ignores £50k general top slice in 2012/13

Reflects increase targets agreed for Procurement and Home Care as part of the February 2013 budget.

**Other Efficiency Savings**

	2012/13 £000	2013/14 £000	Future Years £000
1/ Full Year Effect of 2011/12 Savings	173	-	-
2/ 2013/14 Savings agreed February 2013			
- CHCP	-	204	480
- Environment, Regeneration & Resources	-	64	255
- Education, Communities & OD	-	294	245
	<u>173</u>	<u>562</u>	<u>980</u>

AP/CM

02/07/2013

**Efficiencies - 2008/9 to 2013/14**

<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	1.617	Per Approved Budget
	<hr/> 12.219 <hr/>	

Note: Excludes £4.4 million efficiencies generated by the School Estate Management Plan which have accumulated since 2006. These savings have helped fund new replacement schools.

AP/CM

'29/07/2013