
Report To:	Policy and Resources Committee	Date: 12 August 2014
Report By:	Acting Corporate Director Environment, Regeneration & Resources	Report No: FIN/32/14/JB/CM
Contact Officer:	Jan Buchanan	Contact No: 01475 712223
Subject:	2013/14 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 2013/14 and to approve the Annual Return which is to be returned to Cosla by 22 August 2014.

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.
- 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 2013/14 the Council achieved recurring efficiency savings of £1.419 million. Appendix 2 provides more detail and also a projection in respect of 2014/16 efficiencies.
- 2.3 The Council has delivered £12 million of recurring efficiency savings over the period 2008/14 and is on target to deliver a further £5.5 million by 31 March 16 (Appendix 3). This is clearly helping the Council to protect front line services at a time of ongoing reductions in funding. In addition to this the Council has reinvested the £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.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the achievement of £1.419 million recurring efficiency savings in 2013/14 and approve the submission of the annual return to Cosla by 22 August 2014.

Jan Buchanan
Head of Finance

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 who co-ordinate 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.
- 4.2 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 2013/14 the Council achieved recurring efficiency savings of £1.419 million. Appendix 2 provides more detail and also a projection in respect of 2014/16 efficiencies.
- 4.3 Based on these figures the Council has achieved £12 million of recurring efficiency savings over the six year period 2008/14 and is on target to achieve a further £5.5 million by 31 March 16 (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 £4.6million saved to date generated by the School Estates Management Plan. This is excluded as it has been fully reinvested in new/upgraded schools.

5.0 IMPLICATIONS

Finance

- 5.1 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	14/15	(2,025)		
		15/16	(3,514)		

Legal

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

Human Resources

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

Equalities

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

Repopulation

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

6.0 CONSULTATION

- 6.1 The CMT have approved the proposed return to Cosla.

7.0 BACKGROUND PAPERS

- 7.1 None

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2013-14

1	Local Authority Name	Inverclyde Council
2	Total cash efficiency achieved for 2013-14 £'000	£1.419 million
3	<p>Summary of efficiency activity e.g.</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>£0.974million of the achieved savings came from the Councils Workstream programme with the main savings being:</p> <ul style="list-style-type: none"> - Procurement £0.173 million - Management Restructure £0.1 million - Increasing the working week £0.1 million - Service Reviews £0.43 million <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>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000</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>	Procurement = £0.173 million
		Shared Services = N/A
		Asset Management = £0.06 million
5	Evidence: 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

Workstream Efficiencies

	2013/14 £000	2014/15 £000	2015/16 £000
1/ Senior Management Restructure (April 2012)	82	72	170
2/ Review Committee Support	30	-	-
3/ Operating Model - March 2011	11	-	-
4/ November 11 Alternative Savings Finance/HR	257	35	113
5/ SEMP	-	190	-
6/ Facilities Management - Catering/Cleaning	52	-	-
7/ Utilities	29	-	-
8/ Procurement	173	34	78
9/ 37 Hour Working Week	71	-	-
10 Commissioning - Supported Living	40	-	-
11/ - Staffing	39	-	-
12/ Home Care Service Review	125	75	-
13/ LET Review	5	-	16
14/ Operational Efficiencies	-	-	147
15/ Social Transport	-	-	50
16/ Terms and Conditions	-	-	30
17/ AMP	60	133	45
18/ NDR Appeals	-	33	-
	974	572	649

Other Efficiency Savings

	2013/14 £000	2014/15 £000	2015/16 £000
2013/16 Savings agreed February 2013		-	-
- CHCP	116	764	1957
- Environment, Regeneration & Resources	114	212	498
- Education, Communities & OD	215	477	410
	445	1453	2865
Total Efficiencies	1,419	2,025	3,514

Efficiencies - 2008/9 to 2015/16

<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	2.025	Per 13/16 Approved Savings
2015/16	3.514	Per 13/16 Approved Savings
Total	<u>17.571</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.