

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet 12 April 2007
AUTHOR/S: Chief Executive and Chief Finance Officer / Finance Project Officer

GERSHON FORWARD LOOK 2007/08

Purpose

1. The purposes of this report are:
 - (a) to set out the continuing progress being made in both implementing planned efficiencies in 2006/07 and identifying additional efficiencies to be made in 2007/08 and beyond;
 - (b) to ask Cabinet to delegate authority for finalising the 2007/08 Forward Look Annual Efficiency Statement to the Chief Executive, in consultation with the Leader and the Resources, Staffing, Information and Customer Services Portfolio Holder.

Background

2. Following recommendations by Sir Peter Gershon on the scope for efficiency savings in the public sector, the Government required councils, from 2005/06, to make annual efficiency savings worth 2.5% of their 2004/05 budgets for each of the following three years. For SCDC, this equated to £513,000 in 2005/06 and additional savings of £415,000 in both 2006/07 and 2007/08.
3. Progress reports on our efficiency savings were reported to Cabinet in February, March and May 2005 and in March and July 2006. The projected savings were built in to the Medium Term Financial Strategy (MTFS) approved by Council in November 2006 and the 2007/08 Budget approved by Council in February 2007.
4. For each of the previous two years, Cabinet has delegated authority for finalising the Forward Look and Backward Look Annual Efficiency Statements (AES) to the Chief Executive, in consultation with the Leader and the then Resources and Staffing Portfolio Holder.

Update

5. The Council appears to be on course to achieve the target for £415k of efficiencies in 2006/07, as well as continuing to meet the on-going target of £513k from 2005/06, albeit that the expected level of efficiencies in 2006/07 is lower than previously estimated, mainly due to some anticipated efficiencies not being fully realised. However, the Council should still meet the 2006/07 target, not least because the target for 2005/06 was exceeded (although this has not yet been externally audited in detail) and the excess can count towards the targets for future years.
6. Officers are reviewing the efficiency savings previously identified for 2007/08 in preparation for producing the Council's detailed 2007/08 Forward Look, which needs to be submitted this month. It is not yet clear whether all the 2007/08 savings previously anticipated will be fully achieved, for example: it appears that some savings previously identified may not now count when compared to the official

Gershon definition of efficiencies; timescales for business process re-engineering reviews may affect other savings.

Implications

7. **Financial:** Any previously identified savings that are not fully realised will affect the MTFS; conversely, any savings achieved above the levels already incorporated into the MTFS could help to offset the costs of meeting service and growth demands.
8. **Legal:** Gershon savings build on the principles of Best Value and the Local Government Act 1999. The extent to which the Council delivers planned efficiencies is taken into account in the Audit Commission's 'Use of Resources' assessment.
9. **Risk Management:** The implications of not meeting the Gershon targets are considered in the Council's corporate strategic risk register.

Consultations

10. Managers and Portfolio Holders have been involved in detailed consideration of possible efficiencies and savings, as part of the approval of the MTFS.

Effect on Annual Priorities and Corporate Objectives

11.	Affordable Homes Customer Service Northstowe and other growth areas Quality, Accessible Services Village Life Sustainability Partnership	Efficiency savings particularly relate to the objective of 'high quality, value-for-money, accessible services'. By using the Gershon initiative to deliver more outputs from the same inputs, or the same outputs for less inputs, the other three objectives and the three priorities should also benefit.
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Conclusions/Summary

12. The Council continues to progress in making efficiencies and savings and meeting Gershon targets. The Forward Look 2007/08 AES needs to be submitted this month.

Recommendations

13. Cabinet is asked to:
 - (a) note the progress outlined in this report; and
 - (b) delegate authority to the Chief Executive, with the Leader and Resources, Staffing, Information and Customer Services Portfolio Holder, for finalising the Council's Forward Look 2007/08 AES – the finalised statement will be copied to all Members, as in previous years, and a report will be presented to the following meeting of Cabinet

Background Papers: the following background papers were used in the preparation of this report: None

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