

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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

3 July 2008

GERSHON 2007/08 BACKWARD LOOK ANNUAL EFFICIENCY STATEMENT

Purpose

1. The purpose of this report is to ask Cabinet to delegate authority for finalising the 2007/08 Backward Look Annual Efficiency Statement (AES) to the Chief Executive, in consultation with the Leader and the Finance Portfolio Holder.
2. This is not a key decision; it has been brought before Members because the Leader and Chief Executive are required to sign the AES on behalf of the Council.

Background

3. Following Sir Peter Gershon's recommendations on 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 next three years.
4. In the first year of the Gershon 'regime', the Government set South Cambridgeshire District Council (SCDC) a target of making £513,000 of efficiencies in 2005/06. The Government subsequently revised SCDC's efficiency savings target for 2006/07 and 2007/08 down to £415,000 in each year, in view of the finalised outturn spending figures in the 2004/05 baseline year. These are cumulative savings requirements, i.e. SCDC was expected to achieve £928,000 of efficiencies in 2006/07 (£513,000 plus £415,000) and £1,343,000 in 2007/08 (£513,000 plus £415,000 plus £415,000).
5. Projected efficiency savings have been built in to the Medium Term Financial Strategy (MTFS).
6. In each previous year of the Gershon regime, Cabinet has delegated authority for finalising the Forward Look and Backward Look AES to the Chief Executive, in consultation with the Leader and the then Resources Portfolio Holder (or equivalent).

Considerations

7. The 2007/08 Backward Look AES has to be submitted by 8 July 2008.
8. Officers have been reviewing the efficiency savings previously achieved in 2005/06 and 2006/07, to confirm those which continued into 2007/08, as well as identifying new efficiency savings achieved in 2007/08. Due to the complexity of calculating efficiency savings and the need to obtain auditable supporting evidence, officers have not been able to finalise all the calculations before this report was due to be published.
9. Although it is not yet clear whether all the savings previously anticipated in the 2007/08 Forward Look will be fully achieved, the Council is on track to achieve its 2007/08 target, not least because the targets for 2005/06 and 2006/07 were exceeded and the excess can count towards the target for 2007/08.

Implications

10. Financial	Any savings achieved above the levels already incorporated into the MTFS could help to offset the costs of meeting service and growth demands.
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.
Staffing	There are no staffing implications resulting from this report.
Risk Management	Following being capped and having to cut budgets, there is a reduced base from which to achieve required (and future) efficiencies and savings. The implications for the Council of not meeting its Gershon targets are unclear. An officer working group identifies and oversees the implementation of efficiencies and savings, both to maintain a balanced MTFS and to achieve the Council's targets.
Equal Opportunities	There are no equal opportunities implications resulting from this report.

Consultations

11. 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 Corporate Objectives and Service Priorities

12.

Work in partnership to manage growth to benefit everyone in South Cambridgeshire now and in the future
Deliver high quality services that represent best value and are accessible to all our community
Enhance quality of life and build a sustainable South Cambridgeshire where everyone is proud to live and work
Efficiency savings particularly relate to the objective of 'high quality services that represent best value'; the other objectives will also benefit from the Council's achievement of Gershon efficiencies and savings.

Conclusions/Summary

13. The Council continues to make efficiencies and savings and meet its targets. The Backward Look 2007/08 AES needs to be submitted by 8 July 2008.

Recommendation

14. Cabinet is asked to delegate authority to the Chief Executive, with the Leader and the Finance Portfolio Holder, for finalising the Council's Backward Look 2007/08 Annual Efficiency Statement. The finalised statement will be copied to all Members, as in previous years.

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

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