

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet 2 July 2009
AUTHOR/S: Chief Executive / Interim Executive Director - Corporate Services

NATIONAL INDICATOR (NI) 179 (VALUE FOR MONEY GAINS) - ACTUAL 2008/09

Purpose

1. The purpose of this report is to inform Cabinet of the actual amount of value for money gains achieved from 1 April 2008 to 31 March 2009 and to request delegated authority to the Leader and the Chief Executive for submitting details of the amount achieved to the Department for Communities and Local Government (DCLG), in consultation with the Finance & Staffing and Sustainability, Procurement & Efficiency Portfolio Holders.
2. This is not a key decision; it has been brought before Members because guidance from DCLG is that the Leader of the Council, the Chief Executive and the Chief Financial Officer (Section 151 Officer) should certify and approve the NI 179 (value for money gains) calculation.

Background

3. Within the Comprehensive Spending Review 2007 (CSR07), all public services were set a target of achieving at least 3% net cash-releasing value for money gains per annum over the period 2008/09 to 2010/11. National indicator (NI) 179 sets out the following requirement:

Value for money – total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008/09 financial year

However, there is no mandatory efficiency target for individual councils, although other assessments also mean that the Council needs to continue to deliver efficiency savings, e.g. Use of Resources and Managing Performance.

4. The Council has to report on NI 179 twice for each financial year:
 - (a) the forecast of the gains expected to be achieved since 1 April 2008 by the end of that financial year, in October (this was done on 24 October 2008 for 2008/09);
 - (b) the actual value of gains achieved by the end of the financial year just concluded, in July (i.e. for 2008/09, by 24 July 2009).

Considerations

5. In September 2008, Cabinet endorsed a recommendation that the amount to be forecast for NI179 for 2008/09 be £820,000, split across General Fund (£369,000), Housing Revenue Account (HRA, £287,000) and Capital Programme (£164,000).
6. An Efficiency Savings Project Team met regularly during 2008/09 to consider and generate savings proposals, and monitor the delivery of the savings proposed. The complexity of calculating savings and the need to obtain auditable supporting evidence means that officers have not yet been able to finalise all the calculations

and therefore actual savings figures are not yet confirmed. The indicative savings achieved are set out against the targets in the table below; however, Members are asked to note that the final savings figures may vary, up or down, from those shown:

	General Fund £'000	HRA £'000	Capital Programme £'000	Total £'000
Target	369	287	164	820
Savings achieved	255	241	501	997
Surplus / (Shortfall)	(114)	(46)	337	177

7. DCLG has also advised that councils may count the value of any cash-releasing (i.e. "cashable") gains achieved before 2008/09 where they are both ongoing and in excess of the council's previous 7.5% (overall) efficiency target for the Spending Review 2004 (SR04) period.
8. The Council achieved ongoing cashable gains of £1,506,000 during the SR04 period, exceeding its overall target of £1,245,000 by £261,000. Uplifting by the Government's default rate for inflation for 2008/09 (3%) brings this figure to £269,000.
9. An initial review of the efficiency savings achieved prior to 2008/09 has suggested that the indicative value of ongoing cashable gains has improved to £1,531,000 including inflation uplift, an excess over the previous overall target (£1,245,000) of £286,000. This review is still being completed and Members are therefore again asked to note that the final figure may vary, up or down, from that shown.
10. The indicative total net value of ongoing cash-releasing value for money gains that the Council has achieved since the start of the 2008/09 financial year is therefore £1,283,000 (£997,000 [paragraph 6], plus £286,000 [paragraph 9]).

Implications

11. Financial	Savings achieved above the levels incorporated into the Council's Medium Term Financial Strategy (MTFS) could help offset costs of meeting service and growth demands. The ongoing savings achieved will be taken into account when the MTFS is next revised.
Legal	There are no legal implications resulting from this report.
Staffing	There are no staffing implications resulting from this report.
Risk Management	The Efficiency Savings Project Team identifies and oversees the implementation of efficiencies and savings, both to achieve the Council's targets and to help maintain a balanced MTFS. This risk of not achieving ongoing cash-releasing savings is monitored as part of the Council's risk management process.
Equal Opportunities	There are no equal opportunities implications resulting from this report.

Consultations

12. Members of the Efficiency Savings Project Team and other lead officers have been consulted regarding the achievement of individual savings making up this report.

Effect on Strategic Aims

13.	Commitment to being a listening council, providing first class services accessible to all.
	The achievement of ongoing cash-releasing savings contributes towards obtaining best value for money in the delivery of high quality services.
	Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.
	Commitment to making South Cambridgeshire a place in which residents can feel proud to live.
	Commitment to assisting provision for local jobs for all.
	Commitment to providing a voice for rural life.

Conclusions/Summary

14. Indications are that the Council has exceeded its forecast of the total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008/09 financial year. The actual value needs to be submitted by 24 July 2009.

Recommendation

15. Cabinet is asked to delegate authority to the Leader and the Chief Executive, in consultation with the Finance & Staffing and Sustainability, Procurement & Efficiency Portfolio Holders, for submitting the total net value of ongoing cash-releasing value for money gains achieved since the start of the 2008/09 financial year.

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

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