

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet 10th March 2005
AUTHOR: Chief Executive

DELIVERING EFFICIENCY SAVINGS – AN UPDATE

Purpose

1. This report provides a brief update on the preparations being made to produce the forward-looking part of the Council's first Annual Efficiency Statement (AES).

Links to Corporate Objectives

2. The new official guidance on Efficiency Savings has implications for all four corporate objectives, but especially "High quality, accessible, value for money services".

Background

3. A commentary on the latest official guidance on the Efficiency Savings regime (also known as the "Gershon" requirements) was provided to February's Cabinet meeting, with the promise of a further report this month.
4. In brief, the guidance means that the Council has to find 2.5% efficiency savings each year for the next three years (ie, £513k annually), which do not have an adverse effect on service performance. Half of these savings are to be in cash, whilst the rest can take the form of more outputs for the same level of inputs. The forward-looking part of the first Annual Efficiency Statement – which has to be signed off by the Leader of the Council and the Chief Executive – is required by Friday 15 April (only 24 working days after the March Cabinet meeting). The Office of the Deputy Prime Minister has promised to send the standard template for the AES "in early March".

Update

5. The Corporate Working Group has met twice to establish the scope for efficiency savings. For the first AES, this is largely about identifying efficiencies already made in 2004/05 (that will count towards the target if they can be maintained) or already planned for 2005/06. Some possible savings areas, starting to emerge, include:
 - efficiencies accruing from the move to the Council's new offices;
 - improved productivity resulting from the recent introduction of new IT systems;
 - planned savings via ICT on income management;
 - new joint arrangements for advertising jobs and the use of temporary staff;
 - improvements to sickness management procedures;
 - rationalisation of mobile phones allocated to staff;
 - scope for reducing the number of meetings.
6. Planning further changes to businesses processes and service delivery arrangements in 2006/07 and 2007/08 will begin in earnest next month but, for the time being, Members need to focus on the immediate deadline of the first Annual Efficiency Statement.
7. Other recent preparations include:
 - meetings with counterparts from the county & district councils in Cambridgeshire on overall efficiency savings preparations and procurement matters;

- a presentation to managers in Housing and Environmental Services ;
 - a workshop for officers on performance management - highlighting the importance of keeping accurate indicators in the context of the Gershon requirements.
8. An oral update on any further developments will be given at the Cabinet meeting.
 9. One of the issues identified by the preparations relates to the sign-off arrangements for the Annual Efficiency Statement. A considerable amount of work still needs to be done – alongside other existing corporate workload pressures - in order to specify our efficiency savings plans for next year and to incorporate them into the standard template. It is therefore unlikely that we will be able to report the draft plan to the Council on 24 March or in time for the publication of the agenda for the Cabinet on 14 April. As a result, delegated authority is requested (see below). The finalised AES would be reported to the Cabinet subsequently, after the official submission date.

Financial Implications

10. The 1.25% annual cashable savings that are due to accrue from the Gershon requirements in each of the next three years have already been built into the assumptions for the Council's Medium-Term Financial Strategy.

Risk Management Implications

11. The potential impact of not meeting Government requirements for efficiency and improvement already feature in our corporate Risk Register of key risks (currently rated as 'critical impact/low likelihood'). If the Council was unable to fulfil the annual efficiency savings targets, this would have a negative impact on the Council's reputation amongst residents and high calibre job-hunters. It could also jeopardise the Council's future rating in the next Comprehensive Performance Assessment, which will take account of the Council's ability to deliver efficiencies.

Staffing Implications

12. Many staff are already working significantly beyond their contracted working hours to meet the current workloads. Whilst the Gershon requirements hold out the promise of achieving greater productivity in future, this is likely to require further investment of time and other resources up-front. This presents an additional work pressure, which could be compounded by other potential demands in 2005/06 (eg, arising from possible council tax capping and traveller issues). In order to keep workloads sustainable whilst addressing these important issues, it will be important to identify lower priority work, which could be scaled back or stopped.

Recommendation

11. That the Chief Executive, in conjunction with the Leader of the Council, be granted delegated authority to finalise the forward-looking part of the Annual Efficiency Statement for 2005/06, in time for the official deadline of 15 April 2005.

Background Papers:

The following background papers were used in the preparation of this report:

- Cabinet report on "Delivering Efficiency Savings", SCDC, 10 February 2005.
- Letter to Chief Executives on "Delivering Efficiencies in Public Services", ODPM, 11/2/05.

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