

ANNUAL EFFICIENCY STATEMENT – BACKWARD LOOK 2005/06

1 SUMMARY

- 1.1 The Council is required to submit Annual Efficiency Statements on how it proposes to achieve savings before the start of the financial year (forward looking statement). Another statement is submitted to review the achievement of the efficiency savings. The purpose of this report is to seek Member approval on the above backward look statement for 2005/06.

2 BACKGROUND

- 2.1 There are standard targets set for all councils. The original targets were based on estimated budgets for 2004/05 and the annual target was £270,000, 50% of which must be cashable. The target for 2005/06 has been revised down to £234,000 following the final outturn figures for the 2004/05 expenditure.
- 2.2 At the meeting of the former Policy & Finance Committee on 9 March 2006, the forward looking statement for 2005/06 was reviewed against the current position. At that time it was reported that the Council had not yet achieved the target of £234,000.
- 2.3 Following closure of the accounts and review of performance indicators, further efficiency savings have been identified.
- 2.4 The Council is now required to submit a backward looking statement to the Department for Communities and Local Government (formerly the Office of the Deputy Prime Minister). The proposed statement is attached as an appendix to this report.

3 2005/06 RESULTS

- 3.1 The Council is reporting the achievement of £458,280 of total efficiency savings. Two third of this is due to the 57% increase in tonnage of street sweepings under the Street Cleansing contract. The report to Policy and Finance referred to the potential savings on this contract and further information was sent out to Members by letter. The total cashable savings have been reported as £191,257. The main areas are:-
- Housing Benefit Administration where direct costs have reduced by around £81,000 and there have also been improvements in key performance indicators.
 - Recycling – increased income from recycling credits following the extension to kerbside recycling

- Stationery/Paper – there has been a 21% reduction in paper usage and expenditure on stationery items has reduced as a result of using the on-line procurement system, generating savings of £7,200
- Homelessness – The expenditure on contracted accommodation such as bed & breakfast fell by £29,000 compared to the previous year.
- The financing of the expenditure on Rayleigh Leisure Centre was from internal cash balances. An estimate of the saving in interest costs, compared to the loss of investment income, shows that the saving is around £32,760.

4 RECOMMENDATION

4.1 It is proposed that the Committee **RESOLVES**

To agree the Annual Efficiency Statement Backward Looking 2005/06 as set out in Appendix 1 of this report.

Yvonne Woodward

Head of Finance, Audit and Performance Management

Background Papers:-

A Guide to Completing Annual Efficiency Statements

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Annual efficiency statement - backward look

Details

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Statement

Key actions undertaken to achieve efficiency gain

DRAFT - SUBJECT TO APPROVAL

- The Council has adopted an on-line procurement system which allows us to join in with Essex wide contracts and benefit from stronger negotiation on prices.
- Kerbside recycling was rolled out in the year so that nearly 90% of properties are now covered. This has generated additional income from recycling credits.
- The Council continues to develop its Workforce Development Plan and achieved Investors in People Accreditation. We continue to proactively manage sickness absence with a consistent approach which has resulted in a reduction in absence.
- As some of our main services of Refuse collection, Grounds Maintenance and Street Cleansing are contracted out, the Council has worked with the contractor to improve supervision of operatives and agreed better management of achievement of targets

	Ongoing gains sustained from 2004/05 (£)		Further gains achieved in 2005/06 (£)		...of which expected to be ongoing (£)		Cumulative gains as at end of 2005/06 (£)		
Title	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Related links
Adult social services	0	0	0	0	0	0	0	0	
2005/06 Primary quality cross check									
Quality cross check							2004/05	2005/06	Quality cross check met?
No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	0	
Overarching key actions taken:									
Overarching quality crosscheck information:									
Children's services	0	0	0	0	0	0	0	0	
2005/06 Primary quality cross check									
Quality cross check							2004/05	2005/06	Quality cross check met?
No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)									
Overarching key actions taken:									
Overarching quality crosscheck information:									
Culture and sport	23,480	0	32,760	32,760	32,760	32,760	56,240	32,760	

	2005/06 Primary quality cross check Quality cross check							
	2004/05 2005/06 Quality cross check met?							
	Uptake of service by participants/visitors 598890 625681 Yes							
	Overarching key actions taken: The Council's leisure contractor is now employing an engineer in connection with the leisure contract. This is at no additional cost to the Council and it will ensure that all engineering service necessary for the delivery of facilities within the sports centre are available and with improved efficiency. The Council's leisure contractor undertook construction of a major new sports facilities. The financing was arranged by the Council as this proved to be more cost effective. It was also decided to use internal funds rather than borrowing externally, which has produced a cashable saving of £32,760. Overarching quality crosscheck information: Number of visitors to our main centres at Clements Hall and Great Woking Sports Centre							
Environmental services	0	0	261,111	41,266	195,158	41,266	261,111	41,266
	2005/06 Primary quality cross check Quality cross check							
	2004/05 2005/06 Quality cross check met?							
	Non-approved indicator (enter 0 in 2004/5 and 1 in 2005/6 and explain in the text box) 0 1 Yes							
	Previous primary quality cross check (if different) Previous primary quality crosscheck							
	2004/05 2005/06 Quality cross check met?							
	No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06) 0 0 0							
	Overarching key actions taken: There has been a 57% increase in the volume of street sweepings collected between 2005/06 and 2004/05, while the cost of the contract has risen by below the HM Treasury's guideline Deflation rate. Street Cleansing has been contracted out by this Council and is carried out by our contractor, Serviceteam. The increase is due to better reinforcement of the targets for operatives and changes to the way the contract is supervised. There have been quicker responses to street cleansing problems and an Environmental Campaign was carried out. The efficiency gain is based on the rate per tonne in 2004/05 applied to the tonnage achieved in 2005/06. Additional income has been generated as a result of the extension of kerbside recycling which means that over 90% of properties are reached. The saving is the difference between the additional income and the costs of extending the scheme. Overarching quality crosscheck information: Local indicator - Percentage of streets that meet the standard of cleanliness specified in the Code of Practice on litter and refuse (2004/05 figures in brackets) Shopping Areas 99.7% (99.2%) Residential: 89.5% (89.0%) Rural: 71.5% (69.2%) Cost of contract per tonne collected £651 (£420)							
	0	0	0	0	0	0	0	0
Local transport (highways)	2005/06 Primary quality cross check Quality cross check							
	2004/05 2005/06 Quality cross check met?							
	No cross check selected							
	Overarching key actions taken:							
	Overarching quality crosscheck information:							

Local transport (non-highways)	0	0	0	0	0	0	0	0	
	2005/06 Primary quality cross check								
	Quality cross check 2004/05 2005/06 Quality cross check met?								
	No cross check selected 0 0 0								
	Overarching key actions taken:								
LA social housing (capex)	0	0	0	0	0	0	0	0	
	2005/06 Primary quality cross check								
	Quality cross check 2004/05 2005/06 Quality cross check met?								
	No cross check selected								
	Overarching key actions taken:								
LA social housing (other)	0	0	0	0	0	0	0	0	
	2005/06 Primary quality cross check								
	Quality cross check 2004/05 2005/06 Quality cross check met?								
	No cross check selected								
	Overarching key actions taken:								
Non-school educational services	0	0	0	0	0	0	0	0	
	2005/06 Primary quality cross check								
	Quality cross check 2004/05 2005/06 Quality cross check met?								
	No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)								
	Overarching key actions taken:								
Supporting people	0	0	0	0	0	0	0	0	
	2005/06 Primary quality cross check								
	Quality cross check 2004/05 2005/06 Quality cross check met?								
	No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)								
	Overarching key actions taken:								
Homelessness	102,090	102,090	29,209	29,209	29,209	29,209	131,299	131,299	
	2005/06 Primary quality cross check								
	Quality cross check 2004/05 2005/06 Quality cross check met?								
	Reduction in use of temporary accommodation, where exercising a duty under the homelessness legislation 4.1 -26.4 Yes								
	Overarching key actions taken: During 2004/05 the Government issued guidance that local authorities should no longer use bed and breakfast accommodation other than in specified circumstances. The Authority therefore had to utilise additional social housing and other contracts to comply with this requirement. The spend on contracted accommodation has fallen from £193,000 in 2003/04 to £60,000 in 2005/06.								

	Overarching quality crosscheck information: The average length of stay in B&B accommodation has reduced from 14 weeks to 4.6 weeks. The indicator measures the percentage reduction								
Other cross-cutting efficiencies not covered above									
Corporate services	15,854	12,557	0	0	0	0	15,854	12,557	
2005/06 Primary quality cross check Quality cross check <div style="float: right;"> 2004/05 2005/06 Quality cross check met? </div>									
Non-approved indicator (enter 0 in 2004/5 and 1 in 2005/6 and explain in the text box)							0	0	
Overarching key actions taken:									
Overarching quality crosscheck information:									
Procurement	2,725	2,725	7,200	7,200	7,200	7,200	9,925	9,925	
2005/06 Primary quality cross check Quality cross check <div style="float: right;"> 2004/05 2005/06 Quality cross check met? </div>									
Corporate procurement strategy in place and/or updated in the last year (0=No, 1=Yes)							1	1	Yes
Overarching key actions taken: Changes to procurement methods have continued to generate savings in the purchase of stationery and paper.									
Paper usage has dramatically reduced partly due to improved communication to staff regarding the importance of doing double sided photocopying. Paper volumes have reduced from sheets to sheets									
Overarching quality crosscheck information:									
Productive time	0	0	36,178	0	36,178	0	36,178	0	
2005/06 Primary quality cross check Quality cross check <div style="float: right;"> 2004/05 2005/06 Quality cross check met? </div>									
Working days lost to sickness absence (BV12)							9.44	8.23	Yes
Previous primary quality cross check (if different)									
Previous primary quality crosscheck <div style="float: right;"> 2004/05 2005/06 Quality cross check met? </div>									
No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	0	0
Overarching key actions taken: A new sickness policy has been introduced to improve the management of sickness absence, in particular long term sickness. The council achieved Investors in People Accreditation and is seen as an example of best practice in its development and implementation of a Workforce Development Plan									
Overarching quality crosscheck information:									
Transactions	0	0	0	0	0	0	0	0	
2005/06 Primary quality cross check Quality cross check <div style="float: right;"> 2004/05 2005/06 Quality cross check met? </div>									
No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)									
Overarching key actions taken:									

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Overarching quality crosscheck information:									
Miscellaneous efficiencies	0	0	91,822	80,822	60,000	60,000	91,822	80,822	
2005/06 Primary quality cross check									
Quality cross check							2004/05	2005/06	Quality cross check met?
Non-approved indicator (enter 0 in 2004/5 and 1 in 2005/6 and explain in the text box)							0	1	Yes
Previous primary quality cross check (if different)									
Previous primary quality crosscheck							2004/05	2005/06	Quality cross check met?
No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	1	Yes
Overarching key actions taken: The Revenues and Benefits team have introduced improved performance management reporting and monitoring with regular reporting to members on performance against the Performance Standards, which has seen improvements in a number of key indicators. At the same time, the cost of administering the Housing Benefit service has fallen with the careful management of staffing.									
The Fraud Investigation have also improved their performance in the number of visits/investigations and prosecutions carried out during 2005/06 with no increase in staffing									
Overarching quality crosscheck information: BV78 - Speed of processing new claims has reduced from 42.75 days to 27.34 days BV78 - Average time for processing changes of circumstances reduced from 35.64 days to 20.94 days BV79 - Accuracy of processing has remained the same at 97.8%									
BV76 (figures are per 1,000 caseload and 2004/05 comparisons are in brackets) - number of claimants visited 428.02 (337.05) 27% improvement - number of investigations 82.11 (68.37) 21% improvement - number of prosecutions 12.07 (10.94) 11% improvement									
Total	144,149	117,372	458,280	191,257	360,505	170,435	602,429	308,629	