

ANNUAL EFFICIENCY STATEMENT – BACKWARD LOOK 2006/07

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, a backward look. The purpose of this report is to seek Member approval on the above backward look statement for 2006/07.

2 BACKGROUND

- 2.1 There are standard targets set for all councils. The original targets were based on estimated budgets for 2004/05 and our target for 2005/06 was £270,000. The target for 2006/07 and 2007/08 was revised down to £234,000 annually following the final outturn figures for the 2004/05 expenditure. The cumulative target for the 3 years, 2005/06 to 2007/08, is £703,000. 50% of the savings must be cashable.
- 2.2 At the meeting of the former Policy, Finance & Strategic Performance Committee on 15 March 2007, the forward-looking statement for 2007/08 was reviewed against the current position. At that time it was reported that savings up to 2005/06 were £504,000, of which £252,000 were cashable.
- 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. The proposed statement is summarised below.

3 2006/07 RESULTS

- 3.1 The Council is reporting the achievement of £368,896 of total efficiency savings for the year against a forward estimate of £273,000. Over 65% of this is due to savings on the Virgin Active contract, of which £167,756 are cashable. Total cashable savings for 2006/07 have been reported as £247,555. The following is a summary of those savings:-

No.	Service Area	Total Savings	Cashable	Non – Cashable	Progress
1.	Culture & Heritage – Financing of Rayleigh Leisure	167,756	167,756	-	The Council undertook the funding of the centre at lower financing costs as the Council was able to

	Centre.				use prudential borrowing.
2.	Environmental Services – Burials	47,266	25,189	22,077	Through managing performance and maintaining a high work ethic, we have been able to deal with a higher volume of work without a corresponding increase in costs.
3.	Homelessness	33,730	33,730	-	Savings were made from a reduction of spend in Contracted Accommodation from £59,560 in 2005/06 to 25,830 in 2006/07.
4.	Procurement – Goods and Services	20,880	20,880	-	Savings here relate to energy savings in change of contract to the OGC contract.
5.	Productive Time – Sickness	49,216	-	49,216	A change to the way sickness is managed within Rochford District Council has seen a reduction in the days lost to sickness from 8.23 to 6.21 in the last year.
6.	Transactions – Land Charges	50,048	-	50,048	This section has increased workload volumes, at the same time gross expenditure has only increased by £1,854 in the year.
	Overall Totals	368,896	247,555	121,341	

4 RECOMMENDATION

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

To agree the Annual Efficiency Statement - Backward Look 2006/07 as summarised in this report.

Yvonne Woodward

Head of Finance, Audit and Performance Management

Background Papers:-

A Guide to Completing Annual Efficiency Statements.

Annual Efficiency Statement Backward Looking 2006/07 Submission.

For further information please contact Yvonne Woodward on:-

Tel:- 01702 546366 extn 3100

E-Mail:- yvonne.woodward@rochford.gov.uk

If you would like this report in large print, braille or another language please contact 01702 546366.