

ANNUAL EFFICIENCY STATEMENT – BACKWARD LOOK 2007/08

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 2007/08.
- 1.2 The Council achieved efficiency savings of £261,814 in 2007/08 against a 3 year target of £703,000, the Council has now delivered efficiency savings of £950,814.

2 BACKGROUND

- 2.1 There are standard targets set for all councils. The target for Rochford District Council, to be achieved over 3 years to 2007/08, was 7.5% of baseline expenditure. This means that by the end of 2007/08 our target savings were £703,000. At the end of 2006/07 the council had achieved £689,000 savings, of which £417,000 was cashable. For 2007/08, £188,700 was identified at the start of the year as realistic savings; this meant that by the end of 2007/08 we should have achieved a total of £877,700 in efficiency savings against the target of £703,000 over the 3 years.
- 2.2 Following closure of the accounts, further efficiency savings have been identified.
- 2.3 The Council is now required to submit a backward looking statement to the Department for Communities and Local Government.

3 2007/08 RESULTS

- 3.1 The Council is reporting the achievement of £261,814 of total efficiency savings for the year against a forward estimate of £188,700. Total cashable savings for 2007/08 have been reported as £187,608. The following is a summary of those savings:-

No.	Service Area	Total Savings	Cashable	Non – Cashable	Progress
1.	Procurement – Goods & Services	6,179	6,179	-	By moving our energy contracts to the OGC Energy Contract we have tied into better prices for the authority, and have avoided the cost of a

No.	Service Area	Total Savings	Cashable	Non – Cashable	Progress
					standard tariff with one of the major energy providers.
2.	Environmental Services	66,063	66,063	-	The Authority has improved recycling rates in 2007/08, but this has been done at a lower unit cost, thus generating a cashable saving.
3.	Transactions	4,846	2,126	2,720	New Finance system with lower annual licence fees and reduced processing time has released further cashable savings.
4.	Essex on-line Partnership – Use of shared network facilities for NNDR operation.	8,100	8,100	-	Through The Essex on-line partnership the Council has avoided paying costs of running a network.
5.	Fraud Manager – Sharing resource with Chelmsford Borough Council	12,000	12,000	-	The Fraud department were sharing resources with Chelmsford Borough Council. This service was discontinued from November 2007.
6.	Managed Staff Vacancies	46,615	46,615	-	During the year the Authority has had some vacancies, these were not filled immediately, therefore creating a saving.
7.	Business Rates Service	12,600	12,600	-	Partnership working with Chelmsford Borough Council on NNDR service has reduced costs.
8.	Audit & Performance	600	600	-	By changing the way they subscribe to the Cambridgeshire Extranet,

No.	Service Area	Total Savings	Cashable	Non – Cashable	Progress
	Management				the department have secured a cashable saving.
9.	Human Resources	26,325	26,325	-	By running training sessions with partners, the department have saved training costs.
10.	Financial Services	2,000	2,000	-	The Finance department has re-negotiated its Treasury Management contract down from previous year.
11.	Postal & Office Services	5,000	5,000	-	By securing cheaper stationery product through different contracts, the department has made a cashable saving.
12.	Productivity	71,486	-	71,486	A change to the way sickness is managed within Rochford District Council has seen a reduction in the days lost to sickness from 7.49 to 5.19 in the last year.
	Overall Totals	261,814	187,608	74,206	

4 RECOMMENDATION

- 4.1 It is proposed that the Council **RESOLVES** to agree the Annual Efficiency Statement Backward Looking for 2007/08.

Yvonne Woodward

Head of Finance, Audit and Performance Management

Background Papers:-

A Guide to Completing Annual Efficiency Statements

For further information please contact Matthew Petley on:-

Tel:- 01702 546366 Extn 3102

E-Mail:- matthew.petley@rochford.gov.uk

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