
ANNUAL EFFICIENCY STATEMENT – BACKWARD LOOK 2004/05

1 SUMMARY

- 1.1 The purpose of this report is to seek Member approval to the above statement.

2 BACKGROUND

- 2.1 At the meeting of Extraordinary Council on 13 April Members were updated on the latest Government requirements in respect of the Gershon review on public expenditure. At that meeting the first Annual Efficiency Statement for 2005/06 was agreed.
- 2.2 The Council is now required to submit a backward looking statement for 2004/05 to the Office of the Deputy Prime Minister (ODPM) by 5p.m. on 15 June 2005. Guidance from ODPM was published on the 16th May 2005 therefore only allowing limited time before the preparation of this report
- 2.3 The 2004/05 backward-look Annual Efficiency Statement sets out the actual impact of efficiency gains made during 2004/05 and how they impact on 2005/06 and beyond. It is generally not concerned with effects before or after that year. Efficiencies need to have been achieved in this year. Therefore decisions to make future efficiencies will score in the year that they are achieved. An exception will be if the Council entered into a contract before 2004/05 that required future efficiencies to be made. When these efficiencies are made they can be counted. This differs from letting a fixed price contract that delivered savings to the Council prior to 2004/05.
- 2.4 The value of efficiency gains through partnerships can be included. This is particularly important for Rochford which has significant services delivered through contractors acting in partnership with the Authority.
- 2.5 In delivering efficiencies the Council will have to comply with quality checks to ensure that either the quality of services are improved at a related lower cost or cost reductions are made without related impact on quality.
- 2.6 The guidance suggests that only on going efficiencies may be counted. As in the earlier forward looking submission the Authority will be required to submit using a pre determined format which lists efficiencies under set headings. For the District Council these are Culture and Sport, Environmental Services, Local Transport, LA Social Housing, Homelessness, Corporate Services, Procurement, Productive Time, Transactions and Miscellaneous efficiencies.

- 2.7 The proposed statement is attached as Appendix 1 to this report. This shows a total of £114,970 cashable and £26,230 non cashable. The previous report showed efficiencies of £190,000 cashable and £98,000 non cashable. If all these submissions are accepted the totals will be £304,970 cashable and £124,230 non cashable. The target for 2005/06 is a total of £270,000, half of which must be cashable.

3 RECOMMENDATION

- 3.1 It is proposed that Council **RESOLVES** to agree the Annual Efficiency Statement - Backward Look 2004/05 as set out at Appendix 1 of this report.

Roger Crofts

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Background Papers:-

None

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Appendix 1

Annual Efficiency Statement – Backward look 2004/05

Culture and Sport

- The Councils 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 all engineering services necessary for the delivery of facilities within the sports centres are available and with improved efficiency. – **Value given £23,000 non cashable**

Environmental Services

- Nil

Local Transport

- Nil

LA Social Housing

- Nil

Homelessness

- 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 had therefore to utilise additional Social Housing and other contracts to comply with this requirement. The spend for 2003/04 was £ 193,000 whereas in 2004/05 the spend will be £87,000. Estimates for 2005/06 have been set at £100,000. **Value given £100,000 cashable**

Corporate Services

- When the Council let the IT contract it required the provider to deliver efficiency savings of 2 % per year. **Value given £ 12,300 cashable**

- For 2004/05 the Council introduced electronic Electoral Registration Canvas. Although this was at extra cost the numbers using this service were such that efficiency gains were made. **Value given £3,230 non cashable**

Procurement

- Following changes to procurement savings have been made to the purchase of stationery and paper. **Value given £2,670 cashable**

Productive Time

- Nil

Transactions

- Nil

Miscellaneous efficiencies

- Nil

Summary

From the above it can be seen that the Council will be submitting

- Cashable efficiencies of £114,970
- Non cashable efficiencies of £26,230