
ANNUAL EFFICIENCY STATEMENT

1 SUMMARY

- 1.1 The purpose of this report is to seek Member approval to the Council's first Annual Efficiency Statement.

2 BACKGROUND

- 2.1. Members will be aware from previous training activities, awaydays and the recent budget report that the government requires all local authorities to deliver efficiency savings following a review by Sir Peter Gershon.
- 2.2. Rochford is required to save £270,000 in 2005/6, half of which must be cashable. The Office of the Deputy Prime Minister requires the above statement to be submitted electronically by 5p.m. on 15 April. The Council must demonstrate that the Leader of the Council, the Chief Executive and the Corporate Director (Finance and External Services) have all formally authorised the document.
- 2.3. The statement must be totally forward looking and only include actions which will take place during 2005/6. The Council will be able to take into account savings generated in 2004/5, but these may only be considered when the Council produces a backward looking statement in June 2005.
- 2.4. As may be seen from the proposed statement shown at Appendix 1 of this report, cashable savings of £190,000 and non-cashable savings of £98,000 have been identified.
- 2.5. The total savings identified of £288,000 exceed the target set by Government by £18,000. As the rules stand at present, it is understood that the excess savings will count towards the overall three-year target.

3 FUTURE WORK

- 3.1. The Council will now be expected to achieve the savings set out in the statement and will be assessed on how it is delivering efficiencies as part of the ongoing Comprehensive Performance Assessment (CPA) process. Failure to fully engage with the delivery of the Gershon review will have a negative impact on any future CPA. A further forward Efficiency Statement will need to be produced in April 2006.
- 3.2. In June 2006 the Council will be required to produce a further backward looking statement which will show if and how the council has met the targets

set out in the attached statement. The statement in June 2006 will be subject to external audit.

4 RECOMMENDATION

- 4.1 It is proposed that Council **RESOLVES** to agree the Annual Efficiency Statement as set out at Appendix 1 to this report.

Roger Crofts

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Background Papers:-

None

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APPENDIX 1

Annual Efficiency Statement - Forward Look

Local authority

Rochford District Council

Strategy for securing efficiency gains

Key actions to be taken during the year

	Expected annual efficiency gains (£)	...of which related to capital spend (£)	...of which related to other spend (£)	...of which cashable (£)
Adult social services				
	Strategy:			
	Key actions:			
Children's services				
	Strategy:			
	Key actions:			
Culture and sport	£105,000	£0	£105,000	£100,000
	<p>Strategy: The Council entered into a ground breaking contract with Holmes Place for the management of all the Council's leisure facilities in April 2002. The contract provides annual savings of £400,000. It is acknowledged that, owing to the prescriptive cut off point, these savings cannot be counted.</p> <p>The contract does, however, provide for profit share in the event of Holmes Place exceeding targets. The Council will, therefore, work with Holmes Place to ensure that income generating activities are encouraged, but ensuring that core services such as swimming are fully protected.</p> <p>Key actions: Identifying activities that complement and enhance income generation.</p> <p>Promotion of sports and leisure activities, which ultimately lead to greater usage of facilities.</p> <p>Generate greater public participation in arts and leisure promotions from a fixed level of resource.</p>			

	£37,000	£0	£37,000	£37,000
Environmental services	Strategy: The Council has a recycling contract which includes a profit share based on tonnage and price of materials.			
	The Council will seek markets for own waste produce from woodlands activity.			
	The Council has successfully re-tendered a food inspection contact to take effect on 1 April 2005, which will deliver annual savings of £2,000.			
	Key actions: Work with partner contractor to promote the service.			
	Regular educational publicity.			
	Regular educational events.			
Local transport	Strategy:			
	Key actions:			
LA social housing	Strategy:			
	Key actions:			
Non-school educational services	Strategy:			
	Key actions:			
Supporting people	Strategy:			
	Key actions:			
Homelessness	Strategy:			
	Key actions:			
Other cross-cutting efficiencies not covered above				
	£6,000	£0	£6,000	£6,000
Corporate services	Strategy: Fundamental review of printing and copying facilities.			
	Key actions: Carry out needs assessment and establish optimal level and location of equipment.			
Procurement	£72,000	£50,000	£22,000	£5,000

	<p>Strategy: working with the Procurement Agency for Essex to achieve economies of scale in purchasing, engineer efficiency by the use of technology and utilise procurement expertise from other partners. The Council will also be working with Holmes Place in the building of a new leisure centre from which efficiency savings on the major contract will be sought.</p>			
	<p>Key actions: Reducing number of paper invoices.</p> <p>Maximising use of BACS for invoice payment.</p> <p>Joint procurement.</p> <p>Using PRINCE 2 to ensure new leisure centre achieved in accordance with all requirements.</p>			
Productive time	23,000		23,000	0
	<p>Strategy: New procedures for managing sickness absence have been introduced which will reduce the level of sickness absence throughout the organisation.</p> <p>Key actions: Maintain new procedures.</p>			
Transactions	23,000		23,000	22,000
	<p>Strategy: Increase efficiency by cutting out duplication of effort following installation of new payroll/HR system.</p> <p>Work with partners to identify possibilities for joint working on Revenues and Benefits. No savings are expected to accrue from this work in the first year of this project as any solution will be long term.</p> <p>New method of dealing with cash and cheque payments introduce 1 April 2005.</p>			
	<p>Key actions: Implement new system.</p> <p>Introduce new working priorities and eliminate any duplication of functions.</p> <p>Identify where partnership working in Revenues and Benefits may be viable.</p>			
Miscellaneous efficiencies	£22,000	£0	£22,000	£20,000
	<p>Strategy: Identify efficiencies through the implementation of e-government.</p>			

	Key actions: Council-wide use of Market Place where possible. Use of purchasing cards where possible. Use of call centre management where practicable.			
Total	288,000	50	238	190,000