
Report To:	Policy and Resources Committee	Date: 9th August 2016
Report By:	Chief Financial Officer	Report No: FIN/68/16/AP/CM
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
Subject:	2015/16 Efficiency Performance	

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the level of efficiencies achieved by the Council in 2015/16 and to approve the Annual Return which is to be returned to Cosla by 19th August 2016.

2.0 SUMMARY

- 2.1 All Councils are required to make an Annual Return in respect of efficiencies achieved which Cosla co-ordinates and submits to the Scottish Government. The Government has agreed to treat the Council's Efficiency Statement with a light touch and the information is at a high level.
- 2.2 The return has to be signed by the Chief Executive and the draft return is attached as Appendix 1. It can be seen that in 2015/16 the Council achieved recurring efficiency savings of £1.741 million.
- 2.3 The Council has delivered £15.5 million of recurring efficiency savings over the period 2008/16 (Appendix 2) and plans to deliver a further £2.5 million by 31 March 2017. This is clearly helping the Council protect front line services at a time of ongoing reductions in funding. In addition to this the Council has reinvested a further £4.6 million saved to date generated by the School Estates Management Plan. This is excluded from figures as it has been fully reinvested in new/upgraded schools.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the achievement of £1.741 million recurring efficiency savings in 2015/16 and approve the submission of the annual return to Cosla by 19th August 2016.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 It is a requirement of all Councils to make an Annual Return in respect of efficiencies achieved and submit this to Cosla who co-ordinate it on behalf of the Scottish Government. In return for this, the Government has agreed to treat the Council's Efficiency Statement with a light touch.
- 4.2 The return has to be signed by the Chief Executive and the draft return is attached as Appendix 1. It can be seen that in 2015/16 the Council achieved recurring efficiency savings of £1.741 million.
- 4.3 Based on these figures, the Council has achieved £15.5 million of recurring efficiency savings over the 8 year period 2008/16 (Appendix 2) and is on target to achieve a further £2.5 million by 31st March 2017. This is clearly helping the Council protect front line services at a time of ongoing reductions in funding. In addition to this the Council has reinvested a further £4.6million saved to date generated by the School Estates Management Plan. This is excluded as it has been fully reinvested in new/upgraded schools.
- 4.4 The Council main drivers for the identification and delivery of efficiencies and business transformation are:
1. The Budget Process/Financial Strategy
 2. Corporate Directorate Improvement Plans

Once projects are approved, progress against delivery is closely monitored by the CMT and via updates to Committee.

5.0 IMPLICATIONS

Finance

- 5.1 The financial information is detailed at Appendix 2 of the report.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A	Various	08/16	(15,536)		

Legal

- 5.2 Any legal implications arising from these efficiencies were addressed as part of the savings exercise.

Human Resources

- 5.3 Any HR implications arising from these efficiencies were addressed as part of the savings exercise.

Equalities

- 5.4 Any equalities issues arising from these efficiencies were addressed as part of the savings exercise

Repopulation

- 5.5 Achieving efficiencies helps protect front line service delivery which will assist in retaining people within the area.

6.0 CONSULTATION

- 6.1 The CMT has approved the proposed return to Cosla.

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2015-16

1	Local Authority Name	Inverclyde
2	Total cash efficiency achieved for 2015-16 £'000	£1.741 million
3	<p>Summary of efficiency activity</p> <p>The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</p>	<p>Efficiencies are identified by Senior Officers via the budget process and supported by impact sheets with challenge from both the Members and Trades Unions. The Council takes a prudent view of savings which count towards efficiency targets.</p> <p>New proposals are supplemented by the on going work of the Digital Access Group and the delivery Asset Management Plans which are monitored 6 monthly via the Financial Strategy.</p> <p>A focus in the last budget round has been around the balance of service delivery and negotiations with Social Care providers around commissioning rates. This will become an increasing contributor of efficiencies in coming years.</p> <p>The Council is also utilising the benchmarking information generated from the Solace benchmarking information to further analyse costs and identify possible efficiencies.</p>
4	<p>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000</p> <p>(only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.</p>	<p>Procurement = £105k</p> <hr/> <p>Shared Services = £50k</p> <hr/> <p>Asset Management = £225k</p>

5	Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	Via the Councils Performance Management Framework performance is regularly measured and reported. As stated above the Council takes a conservative view when classifying savings as efficiencies.
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Signed (Chief Executive)

Date

Efficiencies - 2008/9 to 2015/16

<u>Year</u>	<u>£million</u>	<u>Comment</u>
2008/9	1.966	Per Efficiency Statement
2009/10	1.922	Per Efficiency Statement
2010/11	2.864	Per Efficiency Statement
2011/12	1.754	Per Efficiency Statement
2012/13	2.096	Per Efficiency Statement
2013/14	1.430	Per Efficiency Statement
2014/15	1.763	Per Efficiency Statement
2015/16	1.741	Per Efficiency Statement
Total	<u>15.536</u>	

Note: Excludes £4.6 million efficiencies generated by the School Estate Management Plan which have accumulated since 2006. These savings have helped fund new replacement schools.

The 2016/17 Budget contains approximately £2.5 million of efficiency savings. The CMT monitor delivery of these savings throughout the year.