

Agenda item No. 9

Title:	Backward Look Annual Efficiency Statement 2007-08
Portfolio holder:	Councillor Roy While, Portfolio holder for Finance
Reporting officer:	Paul Mountford, Policy and Performance Manager
Key decision:	No

Purpose

To provide Cabinet with the draft backward looking Annual Efficiency Statement (AES) for 2007-08.

Background

Efficiency targets and annual efficiency statements were introduced by the Department for Communities and Local Government (previously ODPM) during 2004/05.

All authorities have a set annual efficiency target of 2.5% based on their 2004-05 expenditure, of which half should be 'cashable' gains. By the end of 2007-08, each authority should have achieved total efficiency gains equal to or greater than 7.5% of their 2004-05 expenditure.

The annual efficiency statements have to be produced in two parts - a forward look AES and a backward look AES. As the requirement to produce an Annual Efficiency Statement ceases this year there will be no commitment to produce a forward look statement for 2008-09.

Backward look AES

The backward look AES reviews what was achieved in the previous year 2007-08. It is checked by the Audit Commission and is likely to be included in the annual use of resources and value for money statement. A number of 'quality cross checks' are listed to allow subsequent verification that the efficiencies were actually achieved without any loss of service quality.

The Council needs to submit the backward look AES -2007-2008 by 8 July 2008.

Key issues

The table of key actions and quality cross checks for 2007-08 is attached at Appendix 1.

Work has been undertaken to confirm that all the efficiencies listed have been achieved as planned and that suitable quality cross checks are identified. The majority of efficiency gains have been achieved.

However, there is one instance where the efficiency gain has not been made. The proposed gain in the Licensing department of £9,674 from the reorganisation resulting in the loss of 0.5 FTE post could not be claimed as this work was transferred into the CSU resulting in no overall gain. As the amount of this gain is relatively small its impact on the overall position is negligible.

All the other efficiency gains set out in the AES have been achieved. This includes a £104,000 saving on insurance, and a £42,000 gain in Sustainable Communities following restructuring.

Overall, the Council has exceeded its cumulative efficiency target by around £266,000 or almost 25%. This has been achieved with minimal impact on services and reflects the work of the Council over a number of years to maximise efficiency and at the same time deliver high quality services. The Council will continue this work during 2008-09 particularly in respect of applying the Vanguard systems approach in a number of services, the continuing work to join up services such as Building Control, and through participation in the LGR service redesign work.

Table: West Wiltshire targets and efficiencies

Year	Original targets	Revised targets		Efficiencies achieved		
	Actual	Actual	Cumulative	Actual	Of which one-off gains	Cumulative ongoing
2004-05	-	-	-	£394,000	£0	£394,000
2005-06	£372,000	£362,000	£362,000	£421,411	£29,929	£785,482
2006-07	£372,000	£362,000	£723,000	£345,208	£70,781	£1,059,909
2007-08	£372,000	£362,000	£1,085,000	£291,561	£0	£1,351,470
Total	£1,116,000	£1,085,000	£1,085,000	£1,452,180	£100,710	£1,351,470

Notes

- The efficiencies achieved for 2007-08 will be subject to confirmation by the Audit Commission
- One-off gains can only be claimed in the year they are achieved and as such are not added to the cumulative ongoing gains, for example in 2005-06 the cumulative figure is £394,000 + £421,411 - £29,929 which gives a cumulative gain of £785,482

Effect on strategies and codes

The Corporate Plan commits the Council to providing efficient and effective services. This work forms a key part of this principle.

Risk management Implications

There are risks associated with making efficiency gains and their knock on impact on services and assessments. The main risks include:

- Efficiency gains being identified but are then not achieved
- Monitoring is not done effectively

- Service standards could be eroded through making cumulative efficiency gains

Finance and performance implications

There are no direct financial implications. Most efficiency gains are identified and included in the service and resource planning process.

The performance of the Council will be judged in part on its ability to meet or exceed the set efficiency targets.

Legal and human rights implications

There are no direct legal or human rights implications.

Next Steps

The confirmed efficiency gains will be submitted to the Audit Commission by 8 July.

Recommendations

It is recommended that:

- Cabinet approves the backward look AES 2007-08, and delegates any further minor amendments as required to the Corporate Director and head of Paid Services in consultation with the Leader and Portfolio Holder for Finance.

Background papers

The 2007/08 Forward Look Annual efficiency Statement report to Cabinet on 14 March 2007.

Department for Communities and Local Government (previously ODPM) guidance documents: Measuring and Reporting Efficiency Gains - a guide to completing annual efficiency statements (March 2007)

Available from Policy and Performance Room F7