

Babergh District Council

Annual Efficiency Statement (AES) 2005/06 - Forward Look**Strategy for securing efficiency gains****Introduction**

This is the Council's first Efficiency Statement. It has been completed on the basis of guidance to date from the department. It is recognised that the Local Government Efficiency Measurement Taskforce is still developing guidance, particularly on difficult areas such as quality improvement and capital. That further guidance will be reflected in future statements.

The Council has a transformation agenda. Comprehensive mechanisms and arrangements to identify and implement efficiencies are already in place and lead officers have been identified. The identification and achievement of efficiency savings has been embedded in the annual service and financial planning process for a number of years in order to try to achieve inflation only Council Tax increases and improve services to the public. This is a key priority for the council.

Strategy for achieving efficiency gains

This is set out below:

- Full engagement and involvement of Members and officers
- Deliver the efficiency savings identified in the 2005/06 budget and rigorously monitor progress in achieving these
- Appropriate liaison with and use of change agents – we are already working with the IDeA and the 4ps in a number of areas and are committed to collaborative working via the Regional Centre of Excellence
- Customer Access and Service Transformation (CAST) project looking for efficiency savings on Finance, HR, IT and Revenues & Benefits services -and on Customer Access
- Business Process re-engineering reviews are part of the above and are being pursued in other service areas
- Improve services and increase efficiency through strong performance management and the setting of challenging targets
- 'Going Forward Together' initiative of flexible working with opportunities to work on Council priorities
- 'Bin the Task' initiative to save money and release staff time
- Implementation of E-vision and E-Government strategy, including increasing website transactions and better ways of working
- Better procurement through implementation of the council's procurement strategy and action plan, including the use of appropriate systems for e-procurement and partnering arrangements for construction-related projects
- Partnerships and alternative service delivery approaches being investigated in specific service areas
- Performance improvements on transactional and other services

- Improved productivity with reductions in staff sickness

Overview of expected outcomes

The above measures should result in efficiency gains in 2005/06 of £571,000. Some of the outcomes will materialise in later years. In addition, there have been significant efficiency gains in 2004/05 that will be reported on in June 2005 and which will contribute further to the 2005/06 efficiency target.

The 2.5% target for 2005/06, initially assessed at £280,000 for this council, will be exceeded.

The strategy will provide a solid foundation to ensure that the Government's target of 7.5% efficiency gains by 2007/08 is achieved (and if possible exceeded) .

Key actions to be taken during the year

The key actions for 2005/06 are set out below:

- Decision on the CAST project and implementation of the agreed option for future service provision and delivery
- Implementation of improved business processes for e-procurement (subject to the CAST project) and development control
- Identification of other areas where business process improvements are possible
- Establishment of a Trust (NPDO) to manage leisure facilities
- Decision on a Building Control Partnership
- Investigation into partnership options for back-office services that are not part of the CAST project eg legal services and internal audit
- Implementation of partnering arrangements for certain construction projects
- The appointment of a dedicated countywide procurement resource to implement e-marketplace and achieve savings in commodity procurement by collaborative purchasing through the Countywide Procurement Group, including e-auctions
- Deliver IEG 4 statement through website efficiencies and better approaches to working eg home working, payments and transactional savings
- Achieve growth in certain income areas eg trade waste service
- Improve performance in a number of areas

We will deliver the strategy by:

- Regularly monitoring progress on identifying and achieving efficiency gains
- Delivering budget savings
- Reporting on 2004/05 gains in June 2005
- A mid-year assessment of progress and achievements by the Strategy Committee in November 2005

Statement of expected gains

The following table, in the format required by the Government, sets out the expected efficiency gains in 2005/06 and the extent to which this is likely to be cashable. We are only required to report on the capital/other split for LA social housing, which includes the Housing Revenue Account.

	Expected annual efficiency gains (£)	...of which related to capital spend (£)	...of which related to other spend (£)	...of which cashable (£)
Adult social services	0			0
	Strategy:			
	Key actions:			
Children's services	0			0
	Strategy:			
	Key actions:			
Culture and sport	30,000			0
	Strategy: Main focus is setting up a Leisure NPDO to run the 2 leisure centres/swimming pools in the district. The expected efficiency gain is what this option would save compared to the estimated costs of retendering to the private sector and represents one quarter of the estimated annual saving. This would not be a cash saving, however, compared to current costs.			
	Key actions: NPDO to be established with the aim of going live in January 2006.			
Environmental services	48,000			48,000
	Strategy: Gate fee reductions through countywide waste management consortium and use of alternative recycling facilities. Growth in income for the Trade Waste Service. Substantial increase in recycling rates, to be achieved with a proportionately lower level of resources than the outcomes. This has not been accurately assessed yet and no allowance has been included in the expected gains. It would be expected, therefore, that reported gains would be higher than those indicated in column 1.			
	Key actions: Assessment to be made on recycling gains. Action to ensure that savings are delivered, with regular monitoring by officers. Waste Development Officer to be appointed to achieve growth in Trade Waste service			
Local transport	0	0	0	0
	Strategy:			
	Key actions:			
LA social housing	48,000	30,000	18,000	23,000
	Strategy: Undertake partnering contracts for HRA capital schemes and utilise technical staff more effectively, including on affordable housing schemes, reducing costs to the council.			
	Key actions: Deliver the specific partnering contracts and RSL schemes that are planned			
Non-school educational services	0			0
	Strategy:			
	Key actions:			
Supporting people	10,000			5,000
	Strategy: Thorough long-term review of all sheltered housing schemes starting in 2005/06. This will result in staff reductions and savings over the next 10 years. Extent of savings, if any, in 2005/06 likely to be very low and 50% assumed to be cashable. Unlikely that there will be long-term saving to the council but the strategy aims to ensure that reductions in the amount of supporting people grant are achieved			
	Key actions: Strategy to be approved by Members early in 2005/06. Consultation and implementation thereafter.			
Homelessness	12,000			12,000
	Strategy: Implementation of approved homelessness strategy to reduce use of B&B accommodation.			
	Key actions: Achieving reductions has proved difficult in 2004/05. Continued efforts will be made in 2005/06 by the homelessness officer, funded by Government grant, to achieve the saving. This may again prove difficult.			
Other cross-cutting efficiencies not covered above				
Corporate	50,000			50,000

services	Strategy: Our 'Bin the Task' and 'Going Forward Together' initiatives have produced a number of proposals for staff savings and the expected gains reported here relate to finance and general office services including administrative costs eg printing, postage, telecoms.			
	There is a major investigation into achieving efficiencies in Finance, HR, ICT and Revs & Bens services (the CAST project) to pay for customer access improvements but any savings are unlikely to materialise until 2006/07 at the earliest.			
	Key actions: Monitor implementation of the savings			
Procurement	36,000			30,000
	Strategy: Savings on commodity purchases via countywide procurement and commissioning group and implementation of e-marketplace. This is dependent on approval of a funding bid to the regional centre of excellence for a dedicated procurement resource to facilitate progress. In addition, business processes are being e-enabled, with some savings anticipated in 2005/06			
	Key actions: Secure funding from centre of excellence and implement e-marketplace on a countywide basis where possible.			
Productive time	63,000			20,000
	Strategy: Increase periods posts are vacant when staff leave and rigorously challenge the need for replacing staff. Improve productivity through reduced sickness levels			
	Key actions: Management Team to approve all cases when staff replacements sought and appropriate officers to monitor the achievement of savings throughout the year. PI for improvement in staff sickness to be carefully monitored.			
Transactions	115,000			42,000
	Strategy: Main focus is on the Revenues and Benefits service, with savings in staffing already identified. Aiming for performance improvements on fraud, recovery of overpayments and income collection rates			
	Key actions: Assess position early in 2005/06 and continue to examine opportunities as part of CAST project. Deliver and regularly monitor performance improvement targets			
Miscellaneous efficiencies	159,000			34,000
	Strategy: This mainly includes increased use of the website for transactions and better working through our IEG activities and the implementation of business process improvements. Other areas such as planning, energy and car allowance savings in corporate buildings included also.			
	Key actions: Implement e-forms and e-payments projects. Monitor actual achievement of the savings.			
Total	571,000	30,000	18,000	264,000

This statement has been approved below by the Chairman of the Strategy Committee, The Chief Executive and the Chief Financial Officer.

Sue Carpendale,
Chairman, strategy Committee

Pat Rockall,
Chief Executive

Geoff Kistner,
Chief Financial Officer