

THE MORAY COUNCIL

EFFICIENCY STATEMENT 2007/08

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1. INTRODUCTION

- 1.1 The importance of efficient delivery of Council Services is recognised in the Council's Corporate Development Plan and in particular the working principles relating to Effective Performance Management, Sound Management of Resources and the use of Review and Options Appraisal. Further to this the Council established a Policy Statement in March 2006 recognising that Efficient Government must underpin all Council activities to ensure that maximum output can be delivered from the finite resources available and that this will be a key driver of Council business in the years ahead.
- 1.2 The Council's financial planning process is central to the identification of efficiency gains for the Council. The Council has also established an Efficient Government Working Group to co-ordinate the ongoing monitoring, challenging and development arrangements. This activity is designed to assist the Council to meet the policy commitment referred to above. Departments report progress made towards efficiency targets to their service committees on a regular basis.
- 1.3 This is the second Efficiency Statement that the Council has prepared. It starts from the baseline position that the Council established in 2006/07 in terms of measuring efficiencies and provides an assessment of the efficiency gains that have been quantified for 2007/08.

2. OPENING POSITION

- 2.1 The highest level benchmark available is a comparison of Council Tax levels with other local authorities in Scotland. For 2007/08 the average level of Council Tax payable in Moray was £1,006 compared with the following figures for all of Scotland: average £1,087, highest £1,338 and lowest £845. Underpinning this base position is a set of Statutory Performance Indicators (SPIs) that consistently place Moray high up in the league tables.
- 2.2 In 2006/07 Moray reported, cashable Efficiency Savings of £2.55 million, or 1.58% of the Council's net budget. These savings are all recurring.
- 2.3 For many years Council budgets have only allowed for certain aspects of inflationary cost pressures. For some areas of expenditure such as telecommunications this has been dealt with by continuous review and renegotiation of supply contracts and in other areas more efficient methods of working have been introduced to manage the continuing real terms reduction in a number of expenditure headings. To measure all of these efficiency gains is time consuming in itself and the Council is keen to maintain a proportionate response to gathering this information and the production of efficiency statements.

3 KEY AREAS FOR 2007/08

- 3.1 The Council's financial plan for 2006/07 to 2008/09 identified the need for substantial savings and the majority of the savings identified were planned to accrue from efficiency gains. Efficiency Savings of £952,000 were originally identified for 2007/08, with an additional £1,110,000 identified in February 2007. The majority of these were achieved. Delays in implementing the cash collection review, landfill gas to electricity generation project, hire of external accommodation for training and electronic delivery of public notices resulted in slippage of £380,000. These projects are on track to deliver savings in 2008/09. Some savings have been achieved but are overly time-consuming to measure and have not been included in this statement. These are: production of Committee Reports and Agendas in electronic form; increase in use of Video Conferencing; encouraging the use of e-mail. Estimated savings of £42,000 were removed from the budget and services been delivered within budget, but these savings cannot be measured accurately. Savings from vacancy management, job advertising and review of transport arrangements were recorded in full in the Efficiency Statement for 2006/07. These account for £128,000 budgeted savings previously made and recorded. The proposal to develop Shared Trading Standards Services has not been progressed. (£50,000 target).
- 3.2 The Efficiency Statement for 2006/07 identified the following as key areas to be targeted in 2007/08:
- Procurement
 - Contact Centre expansion
 - Document Management/Flexible Working
 - Shared Services
 - £1M capital funding (energy efficiency and residential care)
- 3.3 Significant advances have been made in improving procurement within the Council. E-procurement is being developed and rolled out across the Council. The Council has joined Scotland Excel. Performance measurements have been adopted, and these will facilitate measuring efficiency savings. The emphasis to date has been on improving procedures and training staff involved in procurement.
- 3.4 Document Management is being rolled out across the Council and is likely to feature further in future modernisation changes to assist in the drive for further efficiencies.

- 3.5 Contact Centre expansion and flexible working have not been progressed as separate initiatives, due to the Scottish Government sponsored review of service delivery, locally badged as Designing Better Services. It is anticipated that this will deliver significant cashable and non cashable efficiency savings in future years.
- 3.6 The Scottish Government awarded £1M capital funding for efficiency projects. This has been used to develop a new residential facility for people with learning disabilities (due to open in 2008) and a range of energy efficiency projects recommended by the Carbon Trust. Savings will accrue in 2008/09.
- 3.7 The Council is the lead authority for the Revenues and Benefits Shared Services feasibility study across the North of Scotland.
- 3.8 Service reviews across all departments have resulted in significant savings with no or little adverse impact on services. These reviews are all listed on the Appendix to this statement.
- 3.9 The Council has a consistently high rate of collection of Council Tax. Further improvement during the year has resulted in a higher level of taxation income available for the provision of services.
- 3.10 The local community has responded well to the Council's improved Waste Management and recycling facilities. The reduction in waste not only has a positive impact on the environment but also reduces the cost of landfill tax to the Council.
- 3.11 The efficiency gains achieved in 2006/07 is detailed in the appendix to this statement as follows:

Cashable Efficiency Gains £1.45 million

Cashable Efficiency Gains arise when expenditure on service delivery is reduced whilst maintaining or improving service levels.

Non Cashable Efficiency Gains are defined as time releasing savings which enable more service to be delivered from the same cost base.

No non-cashable efficiency gains have been captured for 2007/08.

4. VERIFICATION

- 4.1 Whilst the Council will not be seeking an independent audit of the figures produced for 2007/08 all of the gains reported in this statement are verifiable.

5. KEY AREAS TARGETED FOR 2008/09

- 5.1 The approved revenue budget for 2008/09 identifies savings of £2.4M of which £1.3M are classified as efficiency savings.

Looking further ahead the Council approved a four year financial plan in May 2008. In reviewing the plan Members agreed to establish a target for additional efficiency savings of £3M/annum by 2011/12. The Council has commissioned a review called Designing Better Services and Phase 1 is due to be completed in September. It is anticipated that the report will assist the Council in targeting efficiency savings through strategic change over the next few years.

Various other initiatives continue to be supported and promoted by the Council in its long term drive for further efficiencies. The commitment to further energy savings will be led by a group overseeing a reduction in the Council's Carbon Footprint and the Council has also earmarked £1M from reserve funds to enable spend-to-save projects to be implemented.

6. CONCLUSION

- 6.1 The Council has many competing priorities and time spent on recording and measuring efficiency gains has to be weighed against many of these other priorities. It is therefore recognised that not all savings made through efficiencies will have been quantified. However, £1.45 million is a significant sum in contributing to the Council's ability to maintain and improve service levels at a time of financial constraint.
- 6.2 Performance measures have been reported quarterly to the Council's Audit and Performance Review Committee. There is no indication from those reports of service levels declining as a result of efficiency measures implemented.

7. APPROVAL

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