

## APPENDIX 1

### CONFIRMATION OF EFFICIENCIES DELIVERED IN 2014-15

1	Local Authority Name	Moray Council
2	Total cash efficiency achieved for 2014-15	£'000 5,788
3	<p><b>Summary of efficiency activity</b></p> <p><u>Designing Better Services</u></p> <p>The council is implementing Designing Better Services (DBS), a change programme with the vision to have Moray Council recognised as an exemplary, customer-focussed authority, delivering services more effectively and more efficiently. The programme has a number of component themes:</p> <ul style="list-style-type: none"> <li>• the Core Programme, encompassing customer contact and flexible work styles, and including document management;</li> <li>• procurement;</li> <li>• transport, vehicles and plant;</li> <li>• office accommodation;</li> <li>• community care re-design and Home Care scheduling.</li> </ul> <p>The Core Programme generated net cash savings of £290,000 in 2014/15, with a further £20,000 non-cash savings noted as Tranche 6 of the Core Programme was implemented. A key theme of the Core Programme is the transfer of initial contact with the Council to a Contact Centre, where appropriate. The unit cost of calls at the Contact Centre decreased in 2014/15 and efficiencies of £39,000 arising from this are included in the total.</p> <p>The procurement theme is complete, with corporate procurement procedures introduced and savings achieved from the both national and local contracts. Procurement savings are monitored closely and reported to committee. Cash savings totalling £206,000 are included, with a further £1,236,000 non-cash savings recognised. This includes £460,000 energy procurement savings relating to 2013/14. These savings are included as they had not been identified in time to be included in the 2013/14 Efficiency Statement.</p> <p>The office accommodation theme continues to deliver savings, following the vacation of offices previously occupied by Council staff. £69,000 cash savings are included in the total achieved.</p> <p>In total £1,861,000 efficiencies from the DBS programme are included in 2014/15.</p> <p><u>Asset Management and Energy Efficiency</u></p> <p>The Council has well-established procedures for disposing of surplus assets and generated capital receipts of £581,000 in 2014/15.</p> <p>The Council undertakes energy efficiency projects and has an Energy Strategy which aims for a reduction of 2% year-on-year in energy consumption. The impact of this strategy is reported annually and the savings included in the Efficiency Statement are based on the latest report. Generally these reports are published in August / September for the previous financial year, hence past Efficiency Statements included energy savings with a time lag of one year. This year figures for 2014/15 are available, as well as the figures for 2013/14 which were reported during 2014/15.</p> <p>A 12.1% reduction in energy consumption was reported for 2013/14 and this equates to a</p>	

saving of £445,000. £21,000 was generated from Renewal Heat Incentive payments, following the installation of a bio-mass heating system in a secondary school. A further 4.4% reduction in energy consumption was achieved in 2014/15. Cash savings of £109,000 were achieved with a further £14,000 non-cash savings included in this statement

#### Uptake of services

Efficiencies have been achieved by increased uptake of services following initiatives to target service users or to develop services. In 2014/15 £55,000 arises from increased uptake of school meals in primary schools; £15,000 from increased usage of the Council's Dial a Bus scheme (Dial M), and £4,000 from increased occupancy of the Council's industrial estate.

#### Improved Performance

Much improved performance as shown by Performance Indicators reported to service committees cannot be quantified, and there will be areas of improved performance not captured by PIs. However, where there is information to quantify performance this has been included. In 2014/15 the efficiencies generated by improved performance total £1,373,000.

- There has been a reduction in the unit cost of refuse collection and disposal (£659,000)
- There has been a reduction in the amount of residual waste put to landfill (£93,000)
- There has been a higher increase in the percentage of household waste recycled (from 52.2% to 55.43%) than the percentage increase in the cost of this service – an efficiency of £115,000
- Voids management and improved performance regarding rent arrears to the HRA (£150,000)
- The unit cost of administering benefits has reduced (£140,000)
- The unit cost of collecting Council Tax and the unit cost of collecting Non Domestic Rates has reduced (£133,000)
- Further unit cost reductions total £107,000.

Although the in-year collection rate of Council Tax has reduced (from 95.1% to 94.4%) it has reduced by a smaller proportion than the unit cost. Similarly the reduction in cost per property of collection of Non Domestic Rates is greater than the reduction in in-year collection rate (from 96.74% to 95.9%). All other reductions have been achieved with no reduction of standard of service and in the case of the Payroll service, where accuracy improved from 99.76% in 2013/14 to 99.79% in 2014/15, the standard of service has improved.

#### Other

Other efficiencies arise from restructuring in a variety of services (£255,000); shift in the balance of community care from residential to domiciliary (£235,000); out-sourcing domiciliary care (£401,000); e-delivery of training courses (£95,000), centralised recruitment (£68,000). A number of other measures total further efficiencies of £255,000.

#### Shared Services

The Council seeks opportunities to share services with other public sector bodies, although no cashable efficiencies from Shared Services are included within this statement. Initiatives in this area include:

- Integrated management arrangements with the NHS for some Health and Social Care services and shared buildings where this enhances service delivery - this initiative is long-standing and pre-dates the current move towards integration of health and social care;
- Grounds maintenance service to the Ministry of Defence (terminated October 2014);
- Building maintenance for Police Scotland;
- Shared service with the Passport Office;
- Business Gateway, provided in collaboration with Highland Council;

	<ul style="list-style-type: none"> <li>English as a Second Language – service delivered on behalf of Moray College;</li> <li>Pathfinder North – a collaborative programme delivering broadband services across five local authority areas across the Highlands and Islands, including Moray;</li> <li>The Council is delivering the replacement Elgin High School through Hubco, as part of a schools building programme involving five other local authorities</li> <li>Fleet Management – the Council's Fleet manager has been delivering services to Highland Council on a part-time basis as a pilot shared service;</li> <li>The Council is exploring the development of an Energy-from-Waste plant in partnership with Aberdeen City and Aberdeenshire Council.</li> </ul>	
4	<b>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management</b>	Procurement = £'000 1,442
		Shared Services = 0
		Asset Management = 1,170
5	<p><b>Evidence:</b></p> <p>A variety of measures are used to ensure that reported efficiencies are achieved without detriment to service delivery. These include statutory and local performance indicators, customer surveys and post-implementation reviews.</p> <p>All measures arising from the DBS Programme are subject to a Benefits Realisation report, to ensure that planned savings are achieved and also that the impact on service was as anticipated, with either no detrimental effect or a service improvement. These projects are also reviewed a year after implementation to ensure that improvement continue and that there is no unexpected adverse consequence. 32% of the total efficiency in 2014/15 arises from DBS.</p> <p>The performance of all services across the Council is reported to service committees and scrutinised by Audit and Performance Committee. No reduction in service has been reported for any of the areas included in the Efficiency Statement for 2014/15, apart for the in-year collection rate of Council Tax, where the reduction in service standards is proportionately significantly less than the reduction in cost of service. The accuracy of the Payroll service has improved, as identified through statutory PIs. 24% of the efficiency arises from services delivered at less cost with service levels maintained or improved.</p> <p>Increased usage of the Dial M bus service and increased uptake of schools meals suggests customer satisfaction with these services. Although some of the increased uptake in school meals is due to the introduction of free school means in P1 – 3, the measurable efficiency derives entirely from the uptake of schools meals which have been paid for. 1% of the efficiency arises from increased uptake of targeted services.</p>	

Signed ..... (Chief Executive or equivalent)

**Signed (if applicable)..... (Council Leader  
or equivalent)**

**Date .....**