

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2015-16

1	Local Authority Name	Moray Council
2	Total cash efficiency achieved for 2015-16	£'000 5,840
3	<p>Summary of efficiency activity</p> <p><u><i>Designing Better Services</i></u> The council has implemented 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 had a number of component themes:</p> <ul style="list-style-type: none"> • the Core Programme, encompassing customer contact and flexible work styles, and including document management; • procurement; • transport, vehicles and plant; • office accommodation; • community care re-design and Home Care scheduling. <p>The Programme was formally closed on 27 October 2015. The Core Programme generated net savings of £95,000 in 2015/16.</p> <p>Procurement savings are monitored closely and reported to committee. Cash savings from local and national contracts totalling £439,000 are included, with a further £693,000 non-cash savings recognised.</p> <p>The cost of maintain the Council's fleet of vehicles is reported as a weighted unit cost. The unit cost dropped in 2015/16, but the percentage availability of vehicles for use increased. An efficiency saving of £10,000 is included.</p> <p>The office accommodation theme continued to deliver savings, following the vacation of offices previously occupied by Council staff. £60,000 cash savings are included in the total achieved.</p> <p>The introduction of a Homecare scheduling system generated cash savings of £88,000.</p> <p>In total £1,385,000 efficiencies from the DBS programme are included in 2015/16.</p> <p><u><i>Asset Management and Energy Efficiency</i></u> The Council has well-established procedures for disposing of surplus assets and generated capital receipts of £435,000 in 2015/16.</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 draft report.</p> <p>Energy consumption increased in 2015/16 compared to 2014/15, but adjusting for the impact of the weather shows an improvement in Degree Days energy consumption. This equates to a saving of £441,000. In addition to this, energy efficiency measures at a variety of buildings generated cash savings of £38,000. Carbon emissions have been reduced, generating a saving in Carbon Reduction Commitment allowances of £17,000. £114,000 was generated from Renewal Heat Incentive payments, following the installation of a bio-mass heating</p>	

systems in two secondary schools.

A further £14,000 efficiencies arise from reductions in handling charges for electricity payments.

In total, £1,059,000 efficiencies from asset management and energy efficiency are included in 2015/16.

Uptake of services

Efficiencies have been achieved by increased uptake of services following initiatives to target service users or to develop services. In 2015/16 £161,000 arises from increased uptake of school meals in primary and secondary schools; £23,000 from increased usage of the Council's Dial a Bus scheme (Dial M), and £76,000 from increased occupancy of the Council's industrial estate. The Council reviewed the performance of its sports and leisure facilities, and promoted usage of these facilities with a view to increased uptake of them. The resultant increase has led to a drop in unit cost which equates to an efficiency saving of £235,000 in 2015/16.

In total, £495,000 efficiencies from targeted uptake of services are included in 2015/16.

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 2015/16 the efficiencies generated by improved performance total £875,000.

- There has been a reduction in the amount of residual waste put to landfill and a consequent reduction in landfill tax paid of £77,000
- There has been an increase in the percentage of household waste recycled (from 55.43% to 57.76%) and a decrease in the cost of this service – an efficiency of £78,000
- The cost of street cleaning has decreased by the cleanliness indicator has improved – an efficiency of £13,000
- The unit cost per square metre of the Council's building cleaning services has decreased – an efficiency of £50,000. There has been no drop in the standard of service.
- Voids management and improved performance regarding rent arrears to the HRA generated an efficiency of £89,000
- The unit cost of payroll has decreased but the accuracy rate improved – an efficiency of £3,000
- The unit cost of collecting Council Tax and the unit cost of collecting Non Domestic Rates has reduced but the in-year collection rate improved – a total efficiency of £36,000
- The unit cost of the weighted caseload of administering benefits has reduced generating efficiencies of £106,000
- The unit cost of legal work, as measured by the SOLAR benchmarking has reduced – an efficiency of £45,000
- Legal work relating to the integration of Health and Social Care has been absorbed, generating an estimated efficiency of £10,000
- The unit cost per library visit, as measured by SOLAR benchmarking, has decreased – an efficiency of £392,000.

In total, £899,000 efficiencies from improve performance are included for 2015/16.

Other

Other efficiencies arise from restructuring in a variety of service improvements:

- The introduction of underwater cameras in swimming pools - £17,000
- Fleet services restructure - £17,000
- Webcasting - £4,000
- Bringing the management of the Council's financial management system in-house - £40,000
- Reviewing the balance of capital and revenue expenditure on building maintenance - £98,000
- Use of electronic contracts of employment - £2,000
- Delivering support for Direct Payments in-house - £10,000
- Revised charging methodology for photocopier usage - £39,000
- Revised charging policy for homeless accommodation - £66,000
- Centralised recruitment processes - £86,000
- Increased use of e-training - £206,000
- Shift in the balance of permanent and domiciliary care - £916,000
- Greater use of out-sourced domiciliary care - £447,000
- Discount on external audit fee for good working papers - £7,000

In total, £1,955,000 efficiencies from other service improvements are included in 2015/16.

Shared Services

The Council seeks opportunities to share services with other public sector bodies. 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 integration of health and social care;
- Building maintenance for Police Scotland;
- Shared service with the Passport Office;
- Business Gateway, provided in collaboration with Highland Council;
- English as a Second Language – service delivered on behalf of Moray College;
- Pathfinder North – a collaborative programme delivering broadband services across five local authority areas across the Highlands and Islands, including Moray;
- The Council is delivering the replacement Elgin High School through Hubco, as part of a schools building programme involving five other local authorities and the replacement Lossiemouth High School through Hubco as part of a programme involving two other local authorities
- Fleet Management – the Council's Fleet manager was seconded to Highland Council on a part-time basis as a pilot shared service;
- The Council's public analyst services is provided by Aberdeen City Council and part of the archivist service is provided by Aberdeen City Council.
- The Council is exploring the development of an Energy-from-Waste plant in partnership with Aberdeen City and Aberdeenshire Council.

The Council is a member of Scotland Excel and benefits from national initiatives such as SEEMIS and My Job Scotland.

In total, £47,000 efficiencies from shared services are included in 2015/16.

4	Breakdown of efficiency saving by Procurement, Shared Services or Asset Management	<table border="1"> <tr> <td>Procurement =</td> <td style="text-align: right;">£'000 1,129</td> </tr> </table>	Procurement =	£'000 1,129
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5	<p>Evidence:</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. 24% of the total efficiency in 2015/16 arises from DBS.</p> <p>Asset Management and energy efficiency measures do not detract from service delivery and in the case of some energy efficiency measures enhance service delivery, by means of improved lighting levels for example. 18% of the total efficiency in 2015/16 arises from asset management and energy efficiency.</p> <p>Increased usage of sport and leisure facilities and the Dial M bus service and increased uptake of schools meals suggests customer satisfaction with these services. 9% of the efficiency arises from increased uptake of targeted services.</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 2015/16 and there have been performance improvements as measured by reported PIs in a number of areas. 15% of the efficiency arises from services delivered at less cost with service levels maintained or improved.</p> <p>None of the other efficiencies reported are considered to have resulted in detriment to service delivery. The bulk of the efficiencies reported have been generated by the Council's Social Care service. The quality of the services delivered are monitored and results reported to the Integrated Joint Board. The national PIs for 2015/16 are not yet available but local measures of personal outcomes indicate a very high level of satisfaction with the services provided.</p>			

Signed (Chief Executive or equivalent)

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

Date