

The Highland Council

27 June 2013

Agenda Item	
Report No	

2012/13 Annual Efficiency Statement

Report by Director of Finance

Summary

This report sets out the Council's Annual Efficiency Statement (AES) for 2012/13.

1. Background

- 1.1 Since 2006/07, Scottish Councils have been required to publish Annual Efficiency Statements to demonstrate the efficiency gains delivered each year. The Highland Council 2012/13 Annual Efficiency Statement (AES), which is appended to this report, has been prepared in accordance with the COSLA guidance "Efficient Government Reporting – Guidance for Local Authorities in Scotland".
- 1.2 COSLA has asked for all 2012/13 AESs to be submitted by 27 August 2013 in order that an amalgamated Local Government efficiency return may be made to the Scottish Government.

2. 2012/13 Efficiency Savings

- 2.1 While no cash target is set on a per-Authority basis, the Council's estimated target based on 3% efficiencies is £10.2m. This assumed target excludes £2.5m which is the target which can be attributed to adult care services. Following the integration of care services with NHS Highland, it is expected that NHSH would be responsible for identifying and reporting on efficiencies achieved from that budget.
- 2.2 The Council has exceeded this target, achieving 2012/13 efficiency savings of £11.404m.

3. Implications

- 3.1 There are no resource, legal, equality, climate change or risk implications arising from this report.

Recommendation

The Council is asked to consider this report and agree the Annual Efficiency Statement for 2012/13.

Designation: Director of Finance

Date: 17 June 2013

Author: Alison McDonald, Principal Accountant

Background Papers: None

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2012-13

1	Local Authority Name	Highland Council
2	Total cash efficiency achieved for 2012-13	£11.404m
3	<p>Summary of efficiency activity</p> <p><i>Corporate Improvement Programme</i> The Corporate Improvement Programme (CIP) continues to be the major focus of the Council's efficiency strategy. The following projects were progressed during 2012/13 :</p> <ul style="list-style-type: none"> • Asset Management • Business Support • Income Generation • Procurement • Transport • Customer Contact Transformation <p>2012/13 efficiency savings of £4.349m can be attributed to CIP projects. This figure does not include Income Generation savings which do not qualify as efficiency savings per the COSLA guidance.</p> <p>The second phase of the programme has now commenced. CIP2 is building on the work already undertaken in Asset Management, Business Support, Income Generation, Procurement and Customer Contact Transformation and is developing further projects in the areas of Integrated Transport Provision, Managing Information and Mobile and Flexible Working.</p> <p><i>2012/13 Budget Savings</i> Some of the higher value efficiency savings included within 2012/13 agreed budget proposals are as follows :</p> <ul style="list-style-type: none"> • Implementation of new shared business support model (£1.150m savings achieved in 2012/13, further savings of £0.865m targeted for 2013/14) • Review of waste collection strategy and reduction in tonnages disposed of through waste contracts following introduction of alternative weekly collections (£0.599m savings achieved) • Review of average class sizes in S1/S2 English and Maths in line with Scottish Government guidance (£0.511m savings achieved) • Identification of alternative funding sources for the Plockton School of Traditional Music (£0.317m savings achieved) • Creation of an arm's length organisation to provide culture, leisure & learning activities (£0.5m savings achieved in 2012/13 in addition to £0.5m savings already achieved in 2011/12) <p><i>Collaboration & Joint Working</i> Initiatives in this area include :</p> <ul style="list-style-type: none"> • NHS Highland : Integration of Health & Social Care services • Northern Constabulary/Scottish Police Service : Shared premises and out of hours call handling • Children's Panel : Single Area Support Team for Highland and Moray Children's Panels • Pathfinder North : Collaborative programme delivering broadband services across five local authority areas across the Highlands and Islands • Business Gateway : Shared service arrangement with Moray Council 	

	<ul style="list-style-type: none"> • Highland Housing Register : Partnership with registered social landlords • Customer Services : Shared service arrangements between Customer Service Points, Police, Registration Services and libraries in various rural locations. Also shared services arrangements with Visit Scotland and the Passport Office. • Hub North Scotland : Joint venture between local authorities, health boards, police, fire and ambulance services in the north of Scotland to improve procurement and development of community infrastructure facilities • Highland Public Sector Property Group : Sharing of information and resources across public sector organisations in order to seek opportunities to rationalise the public sector property portfolio in the north of Scotland • Financial Services : Sharing of services and systems with other Councils and public sector partners eg computer audit services, insurance schemes, council tax direct debit and council tax benefit promotions, pension scheme administration etc <p>Further details on all these shared services projects are contained in the report to the 30 January 2013 meeting of the Finance, Housing and Resources Committee which can be found at the following link : http://www.highland.gov.uk/NR/ronlyres/EF274FAE-7A60-413C-BE4F-51F373D163AC/0/item25FHR2513.pdf</p>	
4	Breakdown of efficiency saving	<p>Restructuring & Workforce Planning = £4.102m</p> <p>Service Reviews & Process Improvements = £4.521m</p> <p>Procurement = £1.703m</p> <p>Asset Management = £0.944m</p> <p>Shared Services = £0.134m</p>
5	Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	<p>Across Services a variety of measures are used to ensure that efficiencies are achieved without any detriment to service delivery.</p> <p>These measures include :</p> <ul style="list-style-type: none"> • Service Quarterly Performance Reviews • Statutory Performance Indicators • Internal Performance Indicators • Education Scotland reports • Customer satisfaction surveys • Absence of specific complaints regarding service delivery • External inspection for retention of Customer Service Excellence Standard

Signed (Leader of the Council)

Signed (Chief Executive)

Date