

The Highland Council

26 June 2014

Agenda Item	13
Report No	HC/8/14

2013/14 Annual Efficiency Statement

Report by Director of Finance

Summary

This report sets out the Council's Annual Efficiency Statement (AES) for 2013/14.

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 2013/14 Annual Efficiency Statement (AES), which is appended to this report (appendix 1), 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 2013/14 AESs to be submitted by 22 August 2014 in order that an amalgamated Local Government efficiency return may be made to the Scottish Government.

2. 2013/14 Efficiency Savings

- 2.1 The 2013/14 AES includes efficiency savings of £7.921m which is in line with the Council's estimated target.
- 2.2 While no cash target is set on a per-Authority basis, the Council's estimated target based on 3% efficiencies is £7.9m. 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.

3. Implications

- 3.1 There are no resource, legal, equalities, climate change/carbon clever, risk, Gaelic or rural implications arising from this report.

Recommendation

The Council is asked to consider this report and agree the Annual Efficiency Statement for 2013/14.

Designation: Director of Finance

Date: 10 June 2014

Author: Alison McDonald, Principal Accountant

Background Papers: None

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2013-14

1	Local Authority Name	Highland Council
2	Total cash efficiency achieved for 2013-14	£7.921m
3	<p>Summary of efficiency activity</p> <p><i>Corporate Improvement Programme</i></p> <p>The Corporate Improvement Programme (CIP) continues to be the major focus of the Council's efficiency strategy, with the second phase of the programme now well underway. 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>2013/14 efficiency savings of £3.482m can be attributed to CIP projects. This figure does not include those Income Generation savings which do not qualify as efficiency savings per the COSLA guidance.</p> <p>The Corporate Improvement Team is currently working with the Council's Executive Leadership Team to develop proposals for a programme of savings and transformation projects for the 4 years 2015/16-18/19.</p> <p>Further details of CIP activities are contained in the report to the 28 May 2014 meeting of the Resources Committee which can be found at the following link : http://www.highland.gov.uk/NR/rdonlyres/72892CF0-0BFF-48D7-AB77-123DC457C246/0/Item15RES1314.pdf</p> <p><i>2013/14 Efficiency Savings</i></p> <p>Some of the higher value 2013/14 recurring efficiency savings are as follows :</p> <ul style="list-style-type: none"> • Efficiency savings within ICT contract (£0.600m savings achieved) • Renewable Heat Incentive (RHI) and Feed-in Tariff (FIT) receipts (£0.573m savings achieved) • Lower energy costs within primary and secondary schools resulting from the positive impact of biomass boilers and improved efficiency of existing heating systems (£0.363m savings achieved) • New contract arrangements for out of authority placements (£0.375m savings achieved) • Implementation of new shared business support model (£0.160m savings achieved in 2013/14, in addition to £1.160m achieved in 2012/13) <p>The 2013/14 efficiency savings also include £1.164m capital receipts from sale of surplus assets.</p> <p><i>Collaboration & Joint Working</i></p> <p>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 	

	<ul style="list-style-type: none"> • Business Gateway : Shared service arrangement with Moray Council • Highland Housing Register : Partnership with registered social landlords • Customer Services : Shared service arrangements between Customer Service Points, 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 						
4	Breakdown of efficiency saving	<table border="1"> <tr> <td data-bbox="853 698 1517 766">Restructuring & Workforce Planning = £2.336m</td> </tr> <tr> <td data-bbox="853 766 1517 869">Service Reviews & Process Improvements = £1.702m</td> </tr> <tr> <td data-bbox="853 869 1517 936">Procurement = £1.479m</td> </tr> <tr> <td data-bbox="853 936 1517 1003">Asset Management = £2.345m</td> </tr> <tr> <td data-bbox="853 1003 1517 1070">Shared Services = £0.059m</td> </tr> </table>	Restructuring & Workforce Planning = £2.336m	Service Reviews & Process Improvements = £1.702m	Procurement = £1.479m	Asset Management = £2.345m	Shared Services = £0.059m
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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