

ANNUAL EFFICIENCY STATEMENT – BACKWARD LOOK 2006/07**1. INTRODUCTION**

- 1.1 The Council is required to submit 2 Annual Efficiency Statements (AES) per year – one looking at proposed actions for the forthcoming year, the other looking back at what was achieved in the previous year. The 'Forward Look' statement for 2006/07 was submitted in April 2006. This paper covers the 'Backward Look' for 2006/07, which was submitted on 5 July but can be amended until the end of August.

2. STRATEGY FOR SECURING EFFICIENCY GAINS

- 2.1 NFDC is an excellent Authority (CPA) and has previously been awarded Beacon Council status for Tax and Benefits, Tourism and Recycling. In addition, the Authority's Asset Management Plan and Capital Strategy was assessed as good and the Housing Strategy and Business Plan have been classified as fit for purpose. In part, these successes have been achieved through continual review of the Council's operations and implementation of improvements in work practices.
- 2.2 The Council has for many years operated a four year rolling financial strategy, linked to its Corporate Strategy and fully integrated with the service planning process. This annual process has required the Authority to identify efficiency savings, in order to enable the introduction of new initiatives and the management of council tax increases.
- 2.3 The Council's expenditure planning/budgeting process is ideally suited for identifying cash backed efficiencies, which are incorporated into the detailed budgets and closely monitored during the financial year. The Council will continue to use this process to identify all budget variations but will supplement the existing work by using the AES to record all efficiency savings.
- 2.4 The Council is adopting a strategic approach to the efficiency challenge. This involves building on the existing partnership arrangements that the Council has in place, such as the pioneering Test Valley Partnership, partnership arrangements with the Regional Coastal Service and more recently with the new National Park Authority for the New Forest alongside the development of wider consideration of delivery options through the procurement agenda. In addition, the Council will use e-technology to its maximum potential and will seek to maximise opportunities through rationalisation of back office functions.
- 2.5 The Hampshire and Isle of Wight Local Authority Association has secured £1.3m from the Capacity building fund as up-front funding for a number of shared service and collaborative working projects that will secure long term efficiency gains for all authorities in the county. This Council is playing a leading role in many of these projects, including the provision of a project lead in four of them.

3. EFFICIENCY TARGET

- 3.1 The Council has for a number of years faced significant financial challenges in achieving a balanced budget and has increased income/made savings in the region of £4.7m over the period of the AES, in order to maintain an acceptable level of Council Tax and reinvest in services. The items included in the AES however relate only to those which fall clearly within the Government's definition of efficiencies for AES purposes. The items that have been included are also largely cashable savings, which are more easily identified and costed. Other, non cashable savings, will have been achieved but these have not been included, as the Council is already exceeding the target figure and therefore there would be no additional gain from investing staff resources into identifying and costing more non cashable items.
- 3.2 The efficiency target for the Authority is £690k per annum, resulting in a total target of £2.07m by 2007/08. Efficiencies identified in this statement for 2006/07 total £611,900. Together with efficiencies identified and previously submitted for 2004/05 and 2005/06 (cashable and non cashable) the total identified to date is £1,682,133. While this is ahead of the target figure of £1.38m by the end of 2006/07, the Authority must not become complacent. All savings need to be sustained until the end of 07/08. As an example, if sickness levels do not reduce again in 07/8 to 05/6 levels then some or all of the previously reported saving of £121k would need to be removed.

4. FORMAT

- 4.1 The format of the document is prescribed by the Department for Communities and Local Government and is attached as Appendix 1.
- 4.2 As this format is not adaptable for our own information needs and efficiencies included are not very detailed in the prescribed format, additional information is attached as Appendix 2, which Members would recognise largely as items previously reported as part of expenditure plans.

5. ENVIRONMENTAL IMPLICATIONS

- 5.1 Any environmental implications would have been considered as part of the expenditure plan exercises of the Portfolios contributing to the efficiency gains.

6. FINANCIAL IMPLICATIONS

- 6.1 Any financial implications would have been considered as part of past expenditure plan exercises.

7. PORTFOLIO HOLDER'S COMMENTS

- 7.1 The Portfolio Holder, Finance and Efficiency, is pleased to note that the various processes for achieving efficiencies in the organisation are not only benefiting the residents of the New Forest but are currently resulting in efficiencies in excess of the target figure set in the Annual Efficiency Statement.

8. RECOMMENDATIONS

- 8.1 Members are recommended to approve the 2006/07 Backward Look AES for final submission to the Department of Communities and Local Government.

For Further Information Please Contact:

Kevin Green
Accountancy Manager
Tel (023) 8028 5715
E-mail kevin.green@nfdc.gov.uk

Background Papers:

APPENDIX 1

Annual efficiency statement - backward look

Details

Local authority New Forest District Council

Contact name Alfons Michel

Job title Principal Service Accountant

Email address alfons.michel@nfdc.gov.uk

Statement

Overarching Key Actions Taken

The Council actively pursues the annual efficiency agenda as an integral building block at the heart of its strategic service and financial management, going hand in hand with service planning, financial forward planning and review and performance management.

The efficiency target for the Authority is £690k per annum, resulting in a total target of £2.07m by 2007/08. Efficiencies previously identified and covering the period to 2005/06 amounted to £1,070,233. Efficiencies now reported for 2006/07 bring this total to £1,682,133.

Specific key actions that have been taken during the year are described in the individual sections of the table below.

Title	Ongoing gains sustained from 2005/06 (£)		Further gains achieved in 2006/07 (£)		...of which expected to be ongoing (£)		Cumulative gains as at end of 2006/07 (£)		Related links
	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	
Adult social services	1,967	1,967	0	0	0	0	1,967	1,967	
2006/07 Primary quality crosscheck									
Quality crosscheck							2005/06	2006/07	Quality crosscheck met?
No efficiency gains to be reported in this sector, (enter 0 in 2005/06 and 0 in 2006/07)							0	0	Yes
Previous primary quality crosscheck (if different)									
Previous primary quality crosscheck							2005/06	2006/07	Quality crosscheck met?
Non-approved indicator (enter 0 in 2005/06 and 1 in 2006/07 and explain in the text box)							0	1	Yes
<p>Key actions undertaken to achieve efficiency gain: In 05/06 admin services staffing changes were implemented achieving a gain of £1,920</p> <p>Quality crosscheck notes: The efficiencies have been achieved and realised without detrimental effect on service delivery</p>									

Children's services	0	0	0	0	0	0	0	0		
	2006/07 Primary quality crosscheck									
	Quality crosscheck						2005/06	2006/07	Quality crosscheck met?	
	No efficiency gains to be reported in this sector, (enter 0 in 2005/06 and 0 in 2006/07)						0	0	Yes	
	Key actions undertaken to achieve efficiency gain: n/a for 2006/07 Quality crosscheck notes: n/a for 2006/07									
Culture and sport	109,066	109,066	17,000	17,000	17,000	17,000	126,066	126,066		
	2006/07 Primary quality crosscheck									
	Quality crosscheck					2005/06	2006/07	Quality crosscheck met?		
	Uptake of service by participants/visitors					1.26	1.31	Yes		
	Key actions undertaken to achieve efficiency gain: Reduced operating costs from alternative utilisation of leisure facilities Quality crosscheck notes:									
Environmental services	26,902	26,902	129,000	59,000	129,000	59,000	155,902	85,902		
	2006/07 Primary quality crosscheck									
	Quality crosscheck						2005/06	2006/07	Quality crosscheck met?	
	Percentage sum of household waste arisings that have been: (a) sent by the Authority for recycling (BV82a i); (b) sent by the Authority for composting or treatment by anaerobic digestion (BV82b i); and (c) used to recover heat, power and other energy sources (BV82c i)						25.26	27.52	Yes	
	Key actions undertaken to achieve efficiency gain: Combined efficiencies in grounds maintenance and increased cemeteries income (£59k), together with non cashable efficiencies created through partnership working and other initiatives covering environmental health issues Quality crosscheck notes: Indicator shown is in respect of household waste recycled. Information is also available for other performance indicators.									
Local transport (highways)	5,328	5,328	0	0	0	0	5,328	5,328		
	2006/07 Primary quality crosscheck									
	Quality crosscheck						2005/06	2006/07	Quality crosscheck met?	
	No efficiency gains to be reported in this sector, (enter 0 in 2005/06 and 0 in 2006/07)						0	0	Yes	
	Previous primary quality crosscheck (if different)									

	Previous primary quality crosscheck						2005/06	2006/07	Quality crosscheck met?
	Non-approved indicator (explain fully in the text box)						0	1	Yes
	Key actions undertaken to achieve efficiency gain: Quality crosscheck notes: Changes reported in the past have been implemented without detrimental effect on service delivery.								
Local transport (non-highways)	0	0	0	0	0	0	0	0	
	2006/07 Primary quality crosscheck								
	Quality crosscheck						2005/06	2006/07	Quality crosscheck met?
	No efficiency gains to be reported in this sector, (enter 0 in 2005/06 and 0 in 2006/07)						0	0	Yes
	Key actions undertaken to achieve efficiency gain: Quality crosscheck notes:								
LA social housing (capex)	0	0	0	0	0	0	0	0	
	2006/07 Primary quality crosscheck								
	Quality crosscheck						2005/06	2006/07	Quality crosscheck met?
	No efficiency gains to be reported in this sector, (enter 0 in 2005/06 and 0 in 2006/07)						0	0	Yes
	Key actions undertaken to achieve efficiency gain: Quality crosscheck notes:								
LA social housing (other)	68,830	68,830	186,000	186,000	186,000	186,000	254,830	254,830	
	2006/07 Primary quality crosscheck								
	Quality crosscheck						2005/06	2006/07	Quality crosscheck met?
	Non-approved indicator (enter 0 in 2005/06 and 1 in 2006/07 and explain in the text box)						0	1	Yes
	Key actions undertaken to achieve efficiency gain: Restructuring of the service has led to efficiency savings in management, maintenance and training costs. Quality crosscheck notes: Whilst the local performance indicator for urgent repairs completed within local time limits has fallen from a high of 98% in 2005/06, performance in 2006/07 was still at the level (95%) attained in 2004/05, demonstrating that the long term performance has not deteriorated. At the same time the Council is making significant progress towards the achievement of its Decent Homes target, where performance has improved from 16% in the past to 13% in 2006/07 (close to the upper quartile limit of 12%)								
Non-school educational services	0	0	0	0	0	0	0	0	
	2006/07 Primary quality crosscheck								
	Quality crosscheck						2005/06	2006/07	Quality crosscheck

									met?	
	No efficiency gains to be reported in this sector, (enter 0 in 2005/06 and 0 in 2006/07)						0	0	0	Yes
	Key actions undertaken to achieve efficiency gain:									
	Quality crosscheck notes:									
Supporting people	0	0	0	0	0	0	0	0		
	2006/07 Primary quality crosscheck									
	Quality crosscheck						2005/06	2006/07	Quality crosscheck met?	
	No efficiency gains to be reported in this sector, (enter 0 in 2005/06 and 0 in 2006/07)						0	0	Yes	
	Key actions undertaken to achieve efficiency gain:									
	Quality crosscheck notes:									
Homelessness	0	0	0	0	0	0	0	0	Documents People Projects	
	2006/07 Primary quality crosscheck									
	Quality crosscheck						2005/06	2006/07	Quality crosscheck met?	
	No efficiency gains to be reported in this sector, (enter 0 in 2005/06 and 0 in 2006/07)						0	0	Yes	
	Key actions undertaken to achieve efficiency gain:									
	Quality crosscheck notes:									
Other cross-cutting efficiencies not covered above										
Corporate services	92,826	92,826	128,890	128,890	128,890	128,890	221,716	221,716		
	2006/07 Primary quality crosscheck									
	Quality crosscheck						2005/06	2006/07	Quality crosscheck met?	
	Investors in People accreditation achieved (0=Not achieved, 1=Achieved)						1	1	Yes	
	Key actions undertaken to achieve efficiency gain: Efficiency Savings have been achieved in ICT (£7.4k), from HR Operation Review (£49.5k), Chief Exec Admin (£30k), NFNPA Partnership (£23k and funding of equipment and vehicles (£19k).									
	Quality crosscheck notes:									
Procurement - goods and services	54,013	54,013	20,000	20,000	20,000	20,000	74,013	74,013		
	2006/07 Primary quality crosscheck									

	Quality crosscheck						2005/06	2006/07	Quality crosscheck met?
	Content and implementation of Corporate Procurement Strategy reviewed in the last year (0=No, 1=Yes)						1	1	Yes
	Key actions undertaken to achieve efficiency gain: Efficiencies from signposting of adverts and CPU partnership arrangements.								
	Quality crosscheck notes:								
Procurement - construction	0	0	0	0	0	0	0	0	
	2006/07 Primary quality crosscheck								
	Quality crosscheck						2005/06	2006/07	Quality crosscheck met?
	No efficiency gains to be reported in this sector, (enter 0 in 2005/06 and 0 in 2006/07)						0	0	Yes
	Key actions undertaken to achieve efficiency gain:								
	Quality crosscheck notes:								
Productive time	127,020	0	0	0	0	0	127,020	0	
	2006/07 Primary quality crosscheck								
	Quality crosscheck						2005/06	2006/07	Quality crosscheck met?
	No efficiency gains to be reported in this sector, (enter 0 in 2005/06 and 0 in 2006/07)						0	0	Yes
	Previous primary quality crosscheck (if different)								
	Previous primary quality crosscheck					2005/06	2006/07	Quality crosscheck met?	
	Working days lost to sickness absence (BV12)					8.3	10.48	No	
	Key actions undertaken to achieve efficiency gain:								
	Quality crosscheck notes: The working days lost to sickness absence indicator has deteriorated in 2006/07. This is due to a number of issues: There has been an increased number of long term sickness absences which have a significant effect on the overall average for an organisation of our size together with a steady increase in short-term absence. The council has put in place a number of constructive policies and initiatives, including the revision of sickness absence/capability policies, absence workshops for managers and the Council is also leading a Hampshire wide project on Wellbeing, with sickness absence a key priority. The council's target for 2008/09 is to reduce sickness absence levels by 2 days.								
Transactions	102,479	102,479	20,000	20,000	20,000	20,000	122,479	122,479	
	2006/07 Primary quality crosscheck								
	Quality crosscheck					2005/06	2006/07	Quality crosscheck met?	
	Percentage of Council Tax collected (BV9)					98.55	98.8	Yes	
	Key actions undertaken to achieve efficiency gain: Gains derived from Tax and Benefits operations review								

	Quality crosscheck notes:								
Miscellaneous efficiencies	481,802	481,802	111,010	111,010	111,010	111,010	592,812	592,812	
2006/07 Primary quality crosscheck									
Quality crosscheck							2005/06	2006/07	Quality crosscheck met?
Overall CPA score (0=Poor, 1=Weak, 2=Fair, 3=Good, 4=Excellent)							4	4	Yes
<p>Key actions undertaken to achieve efficiency gain: Various efficiencies created through changes in the operation of public conveniences (£15k), restructuring of planning management (£70k), treasury management and other savings (£11k), telephone cost reductions (£15k).</p> <p>Quality crosscheck notes: The miscellaneous category includes a number of different efficiencies, due to the lack of specific categories for authorities such as NFDC. Overall quality is maintained and monitored through provisions in SLAs and contracts and also separately evidenced through assessment (CPA score) and returns (e.g. on Planning Delivery Grant).</p>									
Total	1,070,233	943,213	611,900	541,900	611,900	541,900	1,682,133	1,485,113	

ANALYSIS OF CUMULATIVE SAVINGS (Backward Look)

	2004/05	2005/06	2006/07	Total
	£	£	£	£
ADULT SOCIAL SERVICES				
Catering Admin (Sheltered)		1920		1920
CULTURE AND SPORT				
Funding of Equipment(loan v lease)	-4230	-620	-1140	-5990
AHLC Lighting Replacement	2050			2050
Ringwood HLC Squash Court Conversion	5900	7000		12900
Community Services Admin		11500		11500
Catering Admin (Recs/Dibden)		10700		10700
RHLC Emer Lighting replacement (ongoing energy savings)		2050		2050
LHLC Phase 2 net income		40000		40000
DGC income from power tee		13400		13400
AHLC Squash Court conversion		7500	17000	24500
AHLC-Fitness Suite Refurb		11100		11100
ENVIRONMENTAL SERVICES				
Funding of Vehicles(loan v lease)	5320	7820	8690	21830
Project Integra Income		9000		9000
Addit income from recycling credits		4000		4000
Cemeteries Income			12000	12000
Environmental Health Initiatives			70000	70000
Grounds Mtce Salary savings			47000	47000
LOCAL TRANSPORT				
Grounds Mtce Salary savings		5200		5200
LA SOCIAL HOUSING				
Housing Admin post	9860			9860
Mortgage Administration	4540			4540
Ass Director Housing	29840			29840
Smoke Detector Servicing		22000		22000
Management and Mtce Restructures			106000	106000
Sheltered Housing Mobile Wardens			50000	50000
Housing Training budgets			30000	30000
CORPORATE SERVICES				
ICT Salary savings		22000	7400	29400
Accountancy		23000		23000
Property Services Restructuring		35000		35000
Valuers Salaries		7200		7200
Catering Admin (Pantry)		3380		3380
NFNPA	27140		22860	50000
HR Operational Review			49480	49480
Chief Exec's Admin			30000	30000

APPENDIX 2

PROCUREMENT

Joint Tender Vehicle Replacement	4600	4600	9200
Copier Paper Contract Price/Standardisation	4000		4000
Computer Consumables/Jt Procurement	1300		1300
ICT 3rd party mtce costs		25000	25000
Fuel supply HCC contract		4500	4500
Vehicle Spares Joint Tender		5000	5000
Joint Tender Furniture		3500	3500
Signposting of Adverts		20000	20000

PRODUCTIVE TIME

Reduction in sickness levels	121410		121410
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TRANSACTIONS

Tax and Benefits Review		100000	20000	120000
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MISCELLANEOUS EFFICIENCIES

Locking public conveniences	10000		15000	25000
Boat Licences Additional Income	1900			1900
Asst Director Technical Services	56130			56130
Funding of Vehicles(loan v lease)	14180	12020	11600	37800
Trees Team	17560			17560
Building Control Income	40000			40000
Abandoned Vehicles	14000			14000
Democratic Process Print/Supp	15000			15000
Grant Finder Partnership	10000			10000
Emergency Planning		5000		5000
Planning Delivery Services		48000		48000
Planning Delivery Services		60000		60000
Restructure EHO Posts		11000	2500	13500
Delete Engineering Technician Post		14690		14690
Fees from Additional Beach Huts		2350		2350
Building Cleaning Contracts		10800		10800
Emergency Planning		25670		25670
Dog Warden Contract		68000		68000
Grounds Maintenance Salary Savings		2400		2400
Asst Director Planning			70020	70020
Inhouse Investment of funds			8490	8490
HPSN/Email use reducing telephone costs			15000	15000

Inflation Adjustment	8159	25894		34053
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TOTAL	398659	671574	611900	1682133
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