

**ANNUAL EFFICIENCY STATEMENT – BACKWARD LOOK 2007/08****1. INTRODUCTION**

- 1.1 Since 2005/06 the Council has been required each year to submit 2 Annual Efficiency Statements (AES) to the Department for Communities and Local Government – 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 2007/08 was submitted in April 2007. This paper covers the 'Backward Look' for 2007/08, which was submitted on 4 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 containment 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.
- 2.4 The Council has adopted 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 with the New Forest National Park Authority, alongside the development of wider consideration of delivery options through the procurement agenda. In addition, the Council aims to use e-technology to its maximum potential and seeks 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 all been included, as the Council has exceeded 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 was £690k per annum, resulting in a total target of £2.07m by 2007/08. Efficiencies identified in this statement for 2007/08 total £574k, which is £26k less than predicted in the forward look statement. This was principally due to the impact of the Health and Leisure Review being later than anticipated, offset by an earlier impact of the Housing Management/Sheltered Housing Reviews. Together with efficiencies identified and previously submitted for previous years (cashable and non cashable) the total identified to date is £2.311m, which is £241k greater than the target figure.

### **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 Finance and Efficiency Portfolioholder 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 have resulted in efficiencies in excess of the target figure set in the Annual Efficiency Statement.

## **8. RECOMMENDATIONS**

- 8.1 Members are recommended to approve the 2007/08 Backward Look AES for final submission to the Department of Communities and Local Government.

### **For Further Information Please Contact:**

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### **Background Papers:**



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## Annual efficiency statement - backward look

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Backward Look status Final return submitted on 08/07/2008 01:18 PM

### Details

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Statement [Update](#)

### Overarching Key Actions Taken

Title	Ongoing gains sustained from 2006/07 (£)		Further gains achieved in 2007/08 (£)		...of which expected to be ongoing (£)		Cumulative gains as at end of 2007/08 (£)		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	2,030	2,030	0	0	0	0	2,030	2,030	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>	
<b>2007/08 Primary quality crosscheck</b> Quality crosscheck										
No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08)							2006/07	2007/08	Quality crosscheck met?	
							0	0	Yes	

**Key actions undertaken to achieve efficiency gain:** In 05/06 admin services staffing changes were implemented achieving a gain of £2,030 (including RPI).

**Quality crosscheck notes:** The efficiencies have been achieved and realised without detrimental impact on service delivery.

Children's services	0	0	0	0	0	0	0	0	Documents
									People
									Projects

2007/08 Primary quality crosscheck			
Quality crosscheck	2006/07	2007/08	Quality crosscheck met?
No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08)	0	0	Yes

**Key actions undertaken to achieve efficiency gain:**

**Quality crosscheck notes:**

Culture and sport	130,163	130,163	45,780	45,780	45,780	45,780	175,943	175,943	Documents
									People
									Projects

2007/08 Primary quality crosscheck			
Quality crosscheck	2006/07	2007/08	Quality crosscheck met?
Uptake of service by participants/visitors	1.31	1.674	Yes

**Key actions undertaken to achieve efficiency gain:** The savings are principally due to the starting impact of a fundamental service review of health and leisure centres and changes in the utilisation of health and leisure centres to reflect changes in customer demand, partly offset by the short term costs of a change in the funding strategy for equipment moving from lease to purchase.

**Quality crosscheck notes:**

Environmental services	160,968	88,693	4,870	4,870	4,870	4,870	165,838	93,563	Documents
									People
									Projects

2007/08 Primary quality crosscheck			
Quality crosscheck	2006/07	2007/08	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)	27.52	29.08	Yes

**Key actions undertaken to achieve efficiency gain:** The saving in 2007/08 has arisen as a result of changes to the funding arrangements for vehicles

**Quality crosscheck notes:**

Local transport (highways)	5,501	5,501	0	0	0	0	5,501	5,501	Documents
									People
									Projects

**2007/08 Primary quality crosscheck**

Quality crosscheck	2006/07	2007/08	Quality crosscheck met?
No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08)	0	0	Yes

**Key actions undertaken to achieve efficiency gain:** Reductions in Admin resource in the Grounds Maintenance Section, a proportion of which is allocated to Highways Maintenance.

**Quality crosscheck notes:** The cost reductions above have been achieved without detrimental effect on service delivery whilst improving customer satisfaction as previously reported.

Local transport (non-highways)	0	0	0	0	0	0	0	0	Documents
									People
									Projects

**2007/08 Primary quality crosscheck**

Quality crosscheck	2006/07	2007/08	Quality crosscheck met?
No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08)	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	Documents
									People
									Projects

**2007/08 Primary quality crosscheck**

Quality crosscheck	2006/07	2007/08	Quality crosscheck met?
No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08)	0	0	Yes

**Key actions undertaken to achieve efficiency gain:**

**Quality crosscheck notes:**

LA social housing (other)	263,111	263,111	106,000	106,000	106,000	106,000	369,111	369,111	<ul style="list-style-type: none"> <li>Documents</li> <li>People</li> <li>Projects</li> </ul>	
<b>2007/08 Primary quality crosscheck</b>										
<b>Quality crosscheck</b>						<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>		
Non-approved indicator (enter 0 in 2006/07 and 1 in 2007/08 and explain in the text box)						0	1	Yes		
<b>Key actions undertaken to achieve efficiency gain:</b> A fundamental service review has resulted in savings covering management and maintenance costs of £106,000										
<b>Quality crosscheck notes:</b> Standards relating to the provision of housing are still very high across the board, with 94% of tenants satisfied with the completion of major maintenance projects, 96% happy with day to day repairs services and 98% happy with the services they received from the help desk relating to calls on maintenance issues. Very significantly another major step forward towards full achievement of the decent homes standard has been made by reducing the number of non decent homes from 16% in 05/06, to 13% in 06/07 and 10% in 07/08.										
Non-school educational services	0	0	0	0	0	0	0	0	<ul style="list-style-type: none"> <li>Documents</li> <li>People</li> <li>Projects</li> </ul>	
<b>2007/08 Primary quality crosscheck</b>										
<b>Quality crosscheck</b>						<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>		
No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08)						0	0	Yes		
<b>Key actions undertaken to achieve efficiency gain:</b>										
<b>Quality crosscheck notes:</b>										
Supporting people	0	0	272,000	272,000	272,000	272,000	272,000	272,000	<ul style="list-style-type: none"> <li>Documents</li> <li>People</li> <li>Projects</li> </ul>	
<b>2007/08 Primary quality crosscheck</b>										
<b>Quality crosscheck</b>						<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>		
Non-approved indicator (enter 0 in 2006/07 and 1 in 2007/08 and explain in the text box)						0	1	Yes		

Previous primary quality crosscheck (if different)								
Previous primary quality crosscheck			2006/07	2007/08	Quality crosscheck met?			
No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08)			0	0	Yes			

**Key actions undertaken to achieve efficiency gain:** A review of sheltered housing management and externalisation of the emergency call centre has generated savings of £272,000.

**Quality crosscheck notes:** Changes in the arrangements for the provision of a sheltered housing and central control service will ensure that the quality of service provided can be secured and enhanced for the future through, for example, maximizing the potential for working partnerships with the private sector. Without this the capital and staffing input requirements would cause significant resource problems to the Council. Service enhancements have been secured through double staffing of the Central Control function in order to safeguard emergency cover, whilst at the same time the opportunity has been taken to enhance performance indicators (i.e. the lowest performance target for call response times is now 1 minute, which is currently met in 96.5% of cases with the expectation of further improvements). Clearly any transition has the potential to lead to some initial deterioration (the contact percentage for sheltered scheme tenants has for instance for the moment dropped from 100% to 99% in 07/08) but this is not expected to be a permanent issue.

Homelessness	0	0	0	0	0	0	0	0	<input type="checkbox"/> Documents <input type="checkbox"/> People <input type="checkbox"/> Projects
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2007/08 Primary quality crosscheck								
Quality crosscheck			2006/07	2007/08	Quality crosscheck met?			
No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08)			0	0	Yes			
<b>Key actions undertaken to achieve efficiency gain:</b>								
<b>Quality crosscheck notes:</b>								

**Other cross-cutting efficiencies not covered above**

Corporate services	228,921	228,921	60,600	60,600	60,600	60,600	289,521	289,521	<input type="checkbox"/> Documents <input type="checkbox"/> People <input type="checkbox"/> Projects
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2007/08 Primary quality crosscheck								
Quality crosscheck			2006/07	2007/08	Quality crosscheck met?			
Investors in People accreditation achieved (0=Not achieved, 1=Achieved)			1	1	Yes			
<b>Key actions undertaken to achieve efficiency gain:</b> Efficiencies have been achieved based on a review of ICT service provision and partnership working arrangements with the National Park Authority.								
<b>Quality crosscheck notes:</b>								



Procurement - goods and services	76,418	76,418	71,800	71,800	71,800	71,800	148,218	148,218	<ul style="list-style-type: none"> <li>Documents</li> <li>People</li> <li>Projects</li> </ul>				
<b>2007/08 Primary quality crosscheck</b>													
<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;"><b>Quality crosscheck</b></td> <td style="width: 10%; text-align: center;"><b>2006/07</b></td> <td style="width: 10%; text-align: center;"><b>2007/08</b></td> <td style="width: 20%;"><b>Quality crosscheck met?</b></td> </tr> </table>										<b>Quality crosscheck</b>	<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>
<b>Quality crosscheck</b>	<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>										
<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Content and implementation of Corporate Procurement Strategy reviewed in the last year (0=No, 1=Yes)</td> <td style="width: 10%; text-align: center;">1</td> <td style="width: 10%; text-align: center;">1</td> <td style="width: 20%;">Yes</td> </tr> </table>										Content and implementation of Corporate Procurement Strategy reviewed in the last year (0=No, 1=Yes)	1	1	Yes
Content and implementation of Corporate Procurement Strategy reviewed in the last year (0=No, 1=Yes)	1	1	Yes										
<p><b>Key actions undertaken to achieve efficiency gain:</b> Savings of £9.8 k have been achieved through retendering of mobile phone contracts and of £62,000 from the use of the Hampshire e-market place initiative.</p>													
<p><b>Quality crosscheck notes:</b></p>													
Procurement - construction	0	0	0	0	0	0	0	0	<ul style="list-style-type: none"> <li>Documents</li> <li>People</li> <li>Projects</li> </ul>				
<b>2007/08 Primary quality crosscheck</b>													
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<b>Quality crosscheck</b>	<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>										
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No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08)	0	0	Yes										
<p><b>Key actions undertaken to achieve efficiency gain:</b></p>													
<p><b>Quality crosscheck notes:</b></p>													
Productive time	131,148	0	0	0	0	0	131,148	0	<ul style="list-style-type: none"> <li>Documents</li> <li>People</li> <li>Projects</li> </ul>				
<b>2007/08 Primary quality crosscheck</b>													
<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;"><b>Quality crosscheck</b></td> <td style="width: 10%; text-align: center;"><b>2006/07</b></td> <td style="width: 10%; text-align: center;"><b>2007/08</b></td> <td style="width: 20%;"><b>Quality crosscheck met?</b></td> </tr> </table>										<b>Quality crosscheck</b>	<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>
<b>Quality crosscheck</b>	<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>										
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No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08)	0	0	Yes										
<p><b>Key actions undertaken to achieve efficiency gain:</b></p>													
<p><b>Quality crosscheck notes:</b></p>													

Transactions	126,459	126,459	0	0	0	0	126,459	126,459	<input type="checkbox"/> Documents <input type="checkbox"/> People <input type="checkbox"/> Projects
<b>2007/08 Primary quality crosscheck</b>									
<b>Quality crosscheck</b>					<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>		
Percentage of Council Tax collected (BV9)					98.8	98.82	Yes		
Key actions undertaken to achieve efficiency gain:									
Quality crosscheck notes:									
Miscellaneous efficiencies	612,078	612,078	12,740	12,740	12,740	12,740	624,818	624,818	<input type="checkbox"/> Documents <input type="checkbox"/> People <input type="checkbox"/> Projects
<b>2007/08 Primary quality crosscheck</b>									
<b>Quality crosscheck</b>					<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>		
Overall CPA score (0=Poor, 1=Weak, 2=Fair, 3=Good, 4=Excellent)					4	4	Yes		
Key actions undertaken to achieve efficiency gain: Efficiencies have been achieved as a result of a change in policy procuring vehicles through purchase (loan) rather than through leasing arrangements.									
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).									
<b>Total</b>	<b>1,736,797</b>	<b>1,533,374</b>	<b>573,790</b>	<b>573,790</b>	<b>573,790</b>	<b>573,790</b>	<b>2,310,587</b>	<b>2,107,164</b>	

Update

**ANALYSIS OF CUMULATIVE SAVINGS (Backward Look)**

	2004/05	2005/06	2006/07	2007/08	TOTAL
	£	£	£	£	£
<b>ADULT SOCIAL SERVICES</b>					
Catering Admin ( Sheltered)		1920			1920
<b>CULTURE AND SPORT</b>					
Funding of Equipment(loan v lease)	-4230	-620	-1140	-2220	-8210
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	1000	25500
AHLC-Fitness Suite Refurb		11100			11100
Service Reviews HLC and Tourism				38800	38800
Totton 816 Gym				8200	8200
<b>ENVIRONMENTAL SERVICES</b>					
Funding of Vehicles(loan v lease)	5320	7820	8690	4870	26700
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
<b>LOCAL TRANSPORT</b>					
Grounds Mtce Salary savings		5200			5200
<b>LA SOCIAL HOUSING</b>					
Housing Admin post	9860				9860
Mortgage Administration	4540				4540
Ass Director Housing	29840				29840
Smoke Detector Servicing		22000			22000
Hsg Mngmnt and Mtce Restructures			106000	106000	212000
Sheltered Hsg - Move to greater mobile			50000	80000	130000
Housing Training Budgets			30000		30000
Central Control				192000	192000
<b>CORPORATE SERVICES</b>					
ICT Salary savings		22000	7400		29400
Accountancy		23000			23000
Property Services Restructuring		35000			35000
Valuers Salaries		7200			7200
Catering Admin (Pantry)		3380			3380
HR Operational Review			49480		49480
Chief Exec's Admin			30000		30000
Income from National Park	27140		22860	10600	60600
ICT provision review/reprofiling				50000	50000
<b>PROCUREMENT</b>					
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
Signposting of Adverts			20000		20000
Joint Tender Furniture		3500			3500
Mobile Phone Contract				9800	9800

Hampshire E Market place			62000	62000
<b>PRODUCTIVE TIME</b>				
Reduction in sickness levels	121410			121410
<b>TRANSACTIONS</b>				
Tax and Benefits Review		100000	20000	120000
<b>MISCELLANEOUS EFFICIENCIES</b>				
<b>OTHER</b>				
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	12740
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	54664	88717
	<b>398659</b>	<b>671574</b>	<b>666564</b>	<b>573790</b>
<b>Target</b>				<b>2310587</b>
				<b>2070000</b>
<b>SURPLUS</b>				<b>240587</b>