

Report

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Report to:	Risk and Audit Scrutiny Forum
Date of Meeting:	20 September 2016
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Efficiency Savings 2015/2016
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise the Forum of the Council's Efficiency Savings figure which was submitted to the Scottish Government for 2015/16

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that that the Efficiency Savings figure of £10.233 million for 2015/2016, be noted; and
- (2) that it be noted that this Efficiency Savings figure was returned to the Scottish Government, in line with timescales set, by the end of August 2016

3. Background

- 3.1. Efficient Government is a concept South Lanarkshire Council has been committed to for many years. Since 2006/2007, the Scottish Government has required councils to publish an annual Efficiency Statement. The aim of these statements is to add to local accountability around the efficiency process and contribute to the sharing of best practice.
- 3.2. Continued financial pressure and increased focus on changing the way that services are delivered make the identification and delivery of efficiency savings even more vital. The level of grant requires the Council to ensure that the efficiency savings programme is core to the financial strategy.
- 3.3. Looking forward, the Council's Revenue Budget Strategy for 2017/2018 indicates the level of savings required to balance the budget, minimise the impact on the delivery of front line services and meet Council objectives.
- 3.4. The purpose of this report is to provide information on the Council's efficiencies achieved in 2015/2016, the detail of which is shown in section 5 below.

4. Employee Implications

4.1. None.

5. Efficiency Statement

- 5.1. As part of the Scottish Government Efficiencies Agenda, councils are asked to return information on the level of efficiencies generated in the year. In classing a saving as an 'efficiency', there are a number of rules which must be adhered to, for example, income generation cannot be included nor can any savings which are a reduction or removal of service provision.
- 5.2. To establish the efficiency figure for 2015/2016, the £15.221 million of approved savings for 2015/2016 is taken as the starting position. This position has then been reduced to remove any savings which are not considered efficiencies achieved in the year, including those savings which result in a reduction or removal of service and/or relate to income generation. This totals £7.854 million.
- 5.3. In addition, efficiencies identified through procurement practices are also included as efficiencies (£2.752 million) as well as the efficiencies identified by the Lanarkshire Valuation Joint Board (£0.114 million).
- 5.4. Table 1 below shows the total efficiencies realised in 2015/2016, being £10.233 million, across Resources and the Lanarkshire Valuation Joint Board. It is also detailed on a separate Statement in Appendix A.

Table 1

	Efficiencies achieved in 2015/16
	£m
Community and Enterprise	1.819
Education	0.190
Finance and Corporate	2.984
Housing and Technical	1.648
Social Work	0.726
Procurement	2.752
LVJB	0.114
Total inc. Procurement and LVJB	10.233

- 5.5. The Council continues to recognise an ongoing requirement to demonstrate efficiency, with continuous improvement remaining a key principle of Best Value.
- 5.6. The 2015/2016 statement Efficiency Savings figure has been arrived at with the assistance of all Resources. Each Executive Director has responsibility to ensure their Resource contributes to this element of the Council's approach to continuous improvement.

6. Next Steps

- 6.1. The Efficiency Savings information was returned to the Scottish Government, in line with timescales set, by 19 August 2016. The Statement is included in Appendix A for information.

7. Financial Implications

- 7.1. The figure for Efficiencies for 2015/2016 is noted as £10.233m with the details contained in section 5.

8. Other Implications

- 8.1. The main risk associated with the presentation of the efficiency figure is that it includes, in the reported Efficiency Savings information, a figure which is not eligible to be presented as an efficiency. This risk is mitigated by the regular review of their achievement carried out by Resources and the consideration of all savings by Finance Services as part of the budget monitoring process.
- 8.2 There are no implications for sustainability in terms of the information contained in this report.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. There is no requirement to carry out an impact assessment in terms of the information contained within this report.
- 9.2. The statement has been prepared based on detailed consultation with individual Resources.

Paul Manning

Executive Director (Finance and Corporate Resources)

7 September 2016

Link(s) to Council Values/Objectives

- ◆ Accountable Effective and Efficient

Previous References

- ◆ Executive Committee, 7 September 2016

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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