

# Report

Report to:	<b>Risk and Audit Scrutiny Forum</b>
Date of Meeting:	<b>20 September 2017</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Efficiency Savings 2016/17</b>
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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 COSLA for 2016/2017.

## 2. Recommendation(s)

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

- (1) that the Efficiency Savings figure of £22.496 million for 2016/2017, be noted; and
- (2) that it be noted that this Efficiency Savings figure, as detailed in the statement at Appendix A, was returned to COSLA, before the deadline of 18 August 2017.

## 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.
- 3.3. Looking forward, the Council's Revenue Budget Strategy for 2018/2019 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 2016/2017, 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 2016/2017, the savings that were achieved for 2016/2017 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.
- 5.3. In addition, efficiencies identified through procurement practices are also included as efficiencies (£5.013 million) as well as the efficiencies identified by the Lanarkshire Valuation Joint Board (£0.445 million).
- 5.4. Table 1 below shows the total efficiencies realised in 2016/2017, being £22.496 million, across Resources and the Lanarkshire Valuation Joint Board. It is also detailed on a separate Statement in Appendix A.

**Table 1**

	<b>Efficiencies achieved in 2016/17</b>
	<b>£m</b>
Community and Enterprise	5.889
Education	2.122
Finance and Corporate	2.300
Housing and Technical	2.113
Social Work	4.455
Centre	0.159
Procurement	5.013
LVJB	0.445
<b>Total inc. Procurement and LVJB</b>	<b>22.496</b>

- 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 Efficiency Savings information, included in a statement as shown at Appendix A, was returned to COSLA, in line with timescales set, by 18 August 2017.

## **6. Financial Implications**

- 6.1. The figure for Efficiencies for 2016/2017 is noted as £22.496 million with the details contained in section 5 and Appendix A.

## **7. Other Implications**

- 7.1. 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.
- 7.2. There are no implications for sustainability in terms of the information contained in this report.

## **8. Equality Impact Assessment and Consultation Arrangements**

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

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

14 August 2017

### **Link(s) to Council Values/Objectives**

- ◆ Accountable Effective and Efficient

### **Previous References**

- ◆ Executive Committee, 30 August 2017

### **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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## CONFIRMATION OF EFFICIENCIES DELIVERED IN 2016-17

1	Local Authority Name	South Lanarkshire Council
2	Total cash efficiency achieved for 2016-17 £'000	£22.496m
3	<p><b>Summary of efficiency activity e.g.</b></p> <p>The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</p> <p>The main information that the local authority uses to assess productivity, service quality and performance and how the scope, usefulness or reliability has been improved during the year.</p> <p>Specific steps the local authority has taken during the year to improve collaboration and joint working to deliver efficient and user-focussed services and the improvements achieved.</p>	<p>As part of the budget preparation exercise the Council formally agreed the level of savings for each Resource for the year ahead. These were supported by detailed explanations which enabled them to be monitored and reported during the year. Examples of efficiency savings include:</p> <ul style="list-style-type: none"> <li>• Reviews of management and staffing structures</li> <li>• Cross-Resource review of service provision</li> <li>• Procurement savings</li> <li>• Property rationalisation</li> </ul> <p><b>Productivity and Performance</b></p> <p>The South Lanarkshire Community Planning Partnership agreed a new 10 year Single Outcome Agreement (SOA) in September 2013. The SOA is underpinned by a Partnership Improvement Plan (PIP), which sets out in detail the actions the partners will take and the outcomes (with targets) that are anticipated over the life of the SOA. The PIP is very closely aligned with the work of the Community Planning Partnership's thematic groups, which oversee the key elements of collaborative and joint working in South Lanarkshire.</p> <p>The Council benchmarks its performance where appropriate and uses the results to consider any improvements. During 2016/17 the Council has continued its involvement with the Local Government Benchmarking Framework (LGBF).</p> <p>The Council's Performance Management Framework is supported by a range of customer consultation information and feedback, which helps inform service planning and delivery. The Council has for many years retained its status as an Investors in People organisation, and recently received the gold award, this reflects the continued commitment to ensuring employees are provided with the skills and expertise necessary to deliver high quality services. There continues to be a range</p>

		<p>of services which are accredited with Customer Service Excellence and all have a number of compliance plus components in their awards. These are all underpinned by what is regarded as a very strong Corporate application. The Council also undertakes a wide range of quality assessments e.g. ISO, BS, Quest</p> <p>The Council is the lead authority for the Lanarkshire Valuation Joint Board (LVJB). It can therefore be noted that the Council efficiencies figure of £22.496m reported for 2016/2017 includes efficiencies generated in the year by the LVJB which total £0.445m.</p>
4	<b>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000</b> (only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.	Procurement = £7.363m
		Shared Services = £0.000m
		Asset Management = £0.913m
5	<b>Evidence:</b> What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	The Council continues to monitor a variety of performance measures to confirm that efficiencies has been delivered without any detrimental effect to services. These include KPIs and the LGBF, the Customer Complaints process, SLA monitoring, continued achievement of Customer Excellence Awards, achievement of national targets, level of service standards maintained, Customer Satisfaction surveys, Care Inspectorate reviews and HMIE report results.

Signed ..... (Chief Executive or equivalent)

Signed (if applicable)..... (Council Leader or equivalent)

Date .....