

EAST AYRSHIRE COUNCIL
SPECIAL CABINET 2 JULY 2008
EFFICIENT GOVERNMENT

Report by the Executive Head of Finance and Asset Management

1. PURPOSE

- 1.1 The purpose of this report is to present the proposed Efficient Government Report to the Council for approval prior to submission to COSLA for incorporation into a Scotland wide report for the Scottish Government.

2. BACKGROUND

- 2.1 Efficient Government is a concept that local government in general and East Ayrshire Council in particular has been familiar with for many years. This Council in common with others has become adept at delivering improved services within ever tighter financial constraints.
- 2.2 Local authorities recognised that as part of the partnership arrangement with the Scottish Government that they have a responsibility to demonstrate the efficiency gains delivered each year.
- 2.3 Councils agreed that efficiency statements for 2007/08 should be published to add to the accountability arrangements for each Council locally and nationally. The statements may also assist in the sharing of best practice across the local government community and so further accelerate progress of becoming ever more efficient.
- 2.4 COSLA's intention is to provide the Scottish Executive with a consolidated report which will not identify savings made by individual councils but which will promote the approach taken by Local Government as a whole and quantify the effect.

3. THE EFFICIENCY STATEMENT

- 3.1 The attached Statement has been drafted in accordance with guidance received from COSLA and the Improvement Service. Whilst the 2007/08 report will not be audited, care has been taken to ensure that the information contained in it is auditable as there is an intention that External Audit certification will be required in future years.
- 3.2 Efficiencies are classified in two ways namely Cashable and Non-Cashable. Cashable efficiencies are where the same or higher outputs are achieved with a lower level of resources. Non-Cashable efficiencies are where higher levels of output are achieved using the same level of resources.
- 3.3 For example, if through improving the efficiency of business processes, 8 staff can now process the work previously done by 10, two posts can be deleted and a cashable saving achieved. If, however, 10 staff, through improved process, can now handle a higher volume of work that would previously have required two additional staff to be recruited, no actual cash is released for other purposes but a Non-Cashable efficiency gain, equivalent in value to the cost of the 2 additional staff that would otherwise have been employed to cope with that volume, is achieved.

- 3.4 The national Efficient Government Plan highlighted 7 key areas where efficiency improvement was a priority:
- Procurement
 - Workforce Planning
 - Asset Management
 - Shared Services
 - Streamlining Bureaucracy
 - Customer First
 - Other
- 3.5 These are not prescriptive however and it was understood that Councils would continue to look for efficiency improvement across the whole range of their services and functions. It is accepted that Councils may not target all service areas and all activities within a given year.
- 3.6 This Council has set annual Cashable efficiency targets for each department as part of the budget process and the attached draft report indicates that for 2007/08, £2.554m of Cashable efficiencies and £0.323m of Non-Cashable efficiencies fall within the approved definitions and can be included.

4. RECOMMENDATION

- 4.1 It is recommended that Members
- approve the proposed Efficient Government submission; and
- otherwise note the contents of this report.

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Executive Head of Finance and Asset Management

26 June 2008

LIST OF BACKGROUND PAPERS NIL

Any person who wishes any further information on this report should contact Alex, McPhee, Executive Head of Finance and Asset Management, Tel: (01563) 576300

EAST AYRSHIRE COUNCIL - EFFICIENCY GAINS 2007/08

Theme	Description of Efficiency Measure	Cashable (£)	Non-cashable (£)	Impact on service delivery and performance / other information
O	No allowance for inflation in budget lines.	1,081,670		No reduction in performance as a result.
SB	Finance Service - increased workload requirements met within current resources.	85,830		No adverse impact on service delivery
SB	Technical Services – increase capital programme. Programme substantially increased without need to increase workforce.	67,000	323,000	Service outcomes were increased and work on an additional £1.9m of capital expenditure completed by the service.
WP	Reduction in absence cover. No detrimental impact on service.	30,000		Reduction in costs without impacting on service delivery.
WP	Restructure of staff within former Trading Service. No detrimental impact on service delivery.	80,000		Reduction in costs without impacting on service delivery.
PR	Savings in Supplies and Services (cleaning tools and equipment) budgets.	10,000		No adverse impact on service delivery
WP	Reconfiguration of workload and staff costs in Education and no impact on service delivery.	50,000		Service maintained at reduced cost.
WP	Delegated budgets –school absence cover. No impact on service delivery.	131,840		No adverse impact on service delivery
WP	Reduction of administrative support in Education.	20,220		Reduction in costs without impacting on service delivery.
PR	Central Administration – reduce supplies budget	25,000		Reduction in costs due to procurement arrangements.
WP	Reduction in employee costs within the School's PPP Unit with no detrimental impact on the level of service or outcomes.	60,000		Usage maintained at reduced cost.
WP	Staff turnover savings and same level of service provided.	125,000		No adverse impact on service delivery
WP	Increased income within Leisure Services	135,000		Increased usage of facilities with no requirement to increase workforce.

Theme	Description of Efficiency Measure	Cashable (£)	Non-cashable (£)	Impact on service delivery and performance / other information
WP	Reduced overtime costs within Community Recreation and Street Cleansing and no adverse impact on service provided.	37,000		No adverse impact on service delivery
PR	Reduce Expenditure on Fridge Disposal due to contract arrangements.	10,000		Reduction in unit costs of disposal.
O	Increase Waste Management Income Targets	105,000		Increased income year on year.
O	Increased Income within Trading Service due to improved productivity.	130,000		Reduction in costs without impacting on service delivery.
O	Reduced maintenance costs within Trading Service as a result of improved quality assurance practices.	74,000		Reduction in costs without impacting on service delivery.
SB	Efficiencies highlighted in externally managed services	20,175		Usage maintained at reduced cost.
WP	Reduction in Administration employee costs.	17,194		No adverse impact on service delivery
PR	Reduction in central printing costs due to procurement arrangements.	5,846		Reduction in costs due to procurement arrangements.
PR	Reduction in festive lighting costs due to procurement arrangements.	26,745		Reduction in costs due to procurement arrangements.
PR	Reduction in Cash Uplift Services costs due to procurement arrangements.	54,000		Reduction in costs due to procurement arrangements.
PR	Reduction in cost of PVC doors due to procurement arrangements.	77,000		Reduction in costs due to procurement arrangements.
PR	Reduction in franking machine costs due to procurement arrangements.	5,343		Reduction in costs due to procurement arrangements.

Theme	Description of Efficiency Measure	Cashable (£)	Non-cashable (£)	Impact on service delivery and performance / other information
PR	Reduction in marketing costs due to procurement arrangements.	6,055		Reduction in costs due to procurement arrangements.
PR	Reduction in public relations and graphics - Emergency Announcements due to procurement arrangements.	9,470		Reduction in costs due to procurement arrangements.
O	Significant increase in planning applications without the need to increase the workforce.	37,265		Increased demand met from existing workforce. Statutory Performance Indicator notes improved performance in this area.
O	Significant increase in building control warrants without the need to increase the workforce.	37,000		Increased demand met from existing workforce. Statutory Performance Indicator notes improved performance in this area.
	TOTAL	2,553,653	323,000	

Theme: PR: Procurement; WP: Workforce Planning; AM: Asset Management; SS: Shared Services; SB: Streamlining Bureaucracy; CF: Customer First O: Other