

ANNUAL EFFICIENCY STATEMENT 2014-15

1. EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to present the Council's Annual Efficiency Statement to Council for noting.
- 1.2 Local Authorities are required to complete and publish an Annual Efficiency Statement that summarises the total efficiencies achieved in the last financial year, along with summary detail on some of the main ways the Council is delivering efficiency savings.
- 1.3 The Council must submit their 2014-15 Annual Efficiency Statement to COSLA by Friday 21 August 2015.
- 1.4 The Council has achieved £6.394m in efficiency savings for 2014-15 which exceeds the target requirement of £5.248m.

ANNUAL EFFICIENCY STATEMENT 2014-15

2. INTRODUCTION

- 2.1 Local Authorities are required to complete and publish an Annual Efficiency Statement that summarises the total efficiencies achieved in the last financial year. The Annual Efficiency Statement for 2014-15 is attached as an appendix to this report for noting.

3. RECOMMENDATIONS

- 3.1 Council to note the contents of the Annual Efficiency Statement for 2014-15.

4. DETAIL

- 4.1 For 2014-15, the Scottish Government expects every public body to deliver efficiency savings of at least 3% and to report publicly on the actions undertaken and the results achieved. Council's must publish an Annual Efficiency Statement each year. The Annual Efficiency Statement is attached as an appendix to this report and has been prepared in accordance with the guidance issued by COSLA.
- 4.2 The 3% efficiency savings are calculated based on departmental expenditure limit (DEL). Income from Non-Domestic Rates (NDR) is annually managed expenditure so falls outwith DEL. The Scottish Government funding for the Council for 2014-15 was £206.125m. The NDR element of the funding amounted to £31.171m giving funding excluding NDR of £174.954m. This gives rise to a 3% efficiency savings target of £5.248m. The total efficiency saving achieved for 2014-15 was £6.394m as outlined in the attached statement and this exceeds the target saving.
- 4.3 Arrangements continue to be in place to monitor and report on progress with efficiency savings through the Planning and Performance Management Framework and Performance Scorecards.

5. CONCLUSION

- 5.1 The Council achieved its efficiency savings target for 2014-15.

6. IMPLICATIONS

- 6.1 Policy – None.
- 6.2 Financial - The Council has achieved its efficiency target for 2014-15.
- 6.3 Legal - None.
- 6.4 HR - Individual efficiency savings may have had human resource implications and these would have been discussed with the Trade Unions.

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| 6.5 | Equalities - | Individual efficiency savings may have had equality implications and equality impact assessments would have been carried out where required. |
| 6.6 | Risk - | None. |
| 6.7 | Customer Service - | Individual efficiency savings may have had customer service implications. |

Councillor Dick Walsh, Council Leader - Policy Lead Strategic Finance

**Steve Barrett
Interim Head of Strategic Finance
16 June 2015**

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APPENDICES

Appendix 1 – Annual Efficiency Statement 2014-15

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2014-15

1	Local Authority Name	Argyll and Bute Council
2	Total cash efficiency achieved for 2014-15 £'000	£6,394,317 (3.65%)
3	Summary of efficiency activity e.g. 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. 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. 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>The Council carried out a three year programme of service reviews to deliver savings commencing 2010-11 to 2012-13. Due to the lead in time/phasing of savings, some of the savings options have given rise to new efficiency savings within 2014-15.</p> <p>As part of the Council's budget for 2013-14 savings of 2.9% of revenue budget were required, with almost half of the savings identified being efficiency savings. Due to the lead in time/phasing of savings, some of the savings options have given rise to new efficiency savings within 2014-15.</p> <p>The Council set a savings target as part of its budget for 2014-15. Almost all savings (90%) were efficiency savings.</p> <p>The Council continues to explore opportunities for asset rationalisation, both offices and depots.</p> <p>The Council has a number of shared services/joint working arrangements in place. These include shared scientific services, provision of ICT services to the local housing association, shared contract in relation to ICT wide area network, joint working in respect of the effects of welfare reform, shared services in relation to archaeology, shared arrangements with Highland Council to carry out Road Safety Audits, joint working with Police Scotland for antisocial noise and an agreement in place with 7 other local authorities to use our mobile anthrax incinerator.</p> <p>We continued to have a pilot underway with Highland Council throughout 2014-15 for the provision of Lync services to them.</p> <p>The Council have a Planning and Performance Management Framework which is outcome based. Each Council service has their own performance scorecard measuring their service outcomes, which link to the Council's corporate outcomes.</p>

<p>4</p>	<p>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000 (only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.</p>	<p>Procurement = £1,281,453 The Council continues to ensure procurement savings are achieved by utilising contracts appropriately and by carrying out our own procurement exercises to achieve best value for the Council. Heads of Service and Procurement Action Managers are working together to achieve targets and ensure as much spend as possible is put through systems to obtain better spend information in the future.</p>
		<p>Shared Services = £27,000 There are a number of joint working arrangements which have previously given rise to efficiency savings and which continue to add value as noted in Section 3 above. The Council have a shared archaeology service (West of Scotland Archaeology Service) and this directly saves the Council £27,000 as noted above.</p>
		<p>Asset Management = No new savings during 2014-15 The Council continues to explore opportunities to rationalise its asset base on its own and with Community Planning Partners. It has set a target of a cumulative percentage reduction in gross internal floor area of 15% through office rationalisation in its main towns of Campbeltown, Dunoon, Helensburgh, Lochgilphead, Oban and Rothesay. To date a 12% reduction has been achieved through a combination of updated space standards associated with the Process for Change Workforce Deployment Project and the associated termination of leases for leased-in offices and disposal of surplus office property. So far this has delivered recurring savings of circa £130,000 (as reported on last year's efficiency statement). The new Helensburgh Office is due for handover in June and we will have reduced the floor space we occupy by a further 3%. This project includes a new Customer Service Point and all public facing staff in the area will be located there. This frees up 8 offices for rationalisation. Lomond Street has already been sold to NHS Highland and a shop and some of the Sinclair Street Offices are already under offer. The current phase of office rationalisation has also been completed in Lochgilphead . This has led to the formation of the new Customer Service Point at Manse Brae and all Council</p>

		staff being relocated from Dalriada House and the Clydesdale Bank Building with the latter office currently being under offer.
5	Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	<p>A high level approach to verifying performance has been taken using the service outcomes on the service performance scorecards. The service outcomes are measured using the key success measures for ongoing service delivery in important areas of the Councils business. On this basis they can be assumed to represent quality and delivery in key service areas. The service outcomes are classified as red or green where green represents on target and red is off target. There is also an amber classification which indicates that more than half of the actions within the service outcome are on track. If the service outcomes are predominately classed as green or amber then this indicates the standards for service quality and delivery are being achieved.</p> <p>As at March 2015, out of 71 service outcomes, 64 were either green or amber and 7 were red. This indicates that service quality is at the standards specified in the service plan and on this basis the efficiency savings have not had a negative impact on service delivery.</p>

Signed

Sally Loudon, Chief Executive

Signed

Dick Walsh, Council Leader

Date