

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2017-18

1	Local Authority Name	Argyll and Bute Council
2	Total cash efficiency achieved for 2017-18	£6.475m (4.14%)
3	Summary of efficiency activity	<p><u>Service Choices Programme</u> The Council agreed a range of savings options in 2017-18 as part of a programme of change and improvement and this included a number of efficiency savings. There were 25 efficiency related management savings totalling £1.478m and 34 efficiency related Service Review Policy savings totalling £0.907m, producing an overall efficiency related budget savings total of £2.385m. Savings included:</p> <ul style="list-style-type: none"> • Replacing street lighting units to LED which will also reduce future maintenance and energy cost. • Creation of a Charitable Lesiure Trust • Reduced administration costs due to improving processes and systems and use of more digital technology including more automation. • Corporate approach to monitoring and managing utility costs. <p><u>Channel Shift</u> The council has tracked performance of its digital channels since 2010 and the extent to which they encourage external customers to shift to more efficient, lower cost digital self-service channels. The potential savings in 2017-18 amount to £498,326 generated from transactional digital services using the methodology previously agreed by the Senior Management Team and SOCITM channel cost benchmark approach. These savings are not directly recouped from Services, but are an enabler for helping to deal with wider related funding reductions and increased demand. They are not included in the total efficiency savings figure noted above.</p> <p><u>Transformation Board</u> The Transformation Board was established by the Senior Management Team to provide clear focus and governance for taking forward all elements of the Council's Transformational activities. It supports the Council in delivering the transformational approach required of local authorities by the Accounts Commission to deal with the forecast significant reductions in budget allocations. The Scottish Government and the Commission have expressed a clear</p>

direction of travel for Councils to move away from the historical “salami slicing” method of achieving savings to a more strategic change in character and form.

Fleet Management

Review work is being undertaken of current practices including an overview of existing management controls and systems, the cost of providing the service, vehicle acquisition and funding policy, internal charging mechanisms and service levels provided to users. Fleet utilisation will be analysed and a policy prepared in relation to purchasing, whole life costing and disposal processes. Consideration is also being given to industry standard budgeting methods and more pro-active reviews of management information.

One Council Property Approach

The Council at its meeting on 22 February 2018 agreed to provide resource to take forward a new initiative entitled “Once Council Approach to Property”. This initiative is a change in the approach to the management of the Council’s land and buildings from a static or reactive position (where properties are considered to be held or owned by individual services) to a proactive property development service. This would mean that that all heritable property owned by the Council would be held corporately and not by individual “holding” departments, as has been the case to date, to enable the Council to take a more consistent and strategic corporate view across all heritable property it owns. Efficiency savings should be achieved in future years from this initiative.

Procurement

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. The procurement and commissioning team through their work with the Transformation Board are benchmarking with other local authorities as to the level of centralisation of their procurement function and the financial cost savings benefits as a result of this centralisation. The benchmarking exercise will allow us to review what we are currently delivering via procurement support and savings and what could further be achieved by redesigning our systems, processes,

		<p>procedures and methods of purchasing and contract management across council services.</p> <p><u>Performance Improvement Framework (PIF)</u> A new Performance and Improvement Framework (PIF) was introduced and approved by Council in April 2017. The change in name to Performance and Improvement Framework retains the essential nature of ensuring we are accountable and report strategic performance, but also that our focus is on improvement and supporting effective scrutiny.</p> <p>Early implementation of the first stage of simplifying the planning process has already been put in place to simplify the service outcomes, reduce their number and create a smaller number of business outcomes. This approach was applied to the service planning process for 2017-20 and approved by Council at the budget meeting in February 2017. The duration of plans will extend beyond the previous single year horizon to 3 year plans to provide consistency and improve the opportunity to deliver on key council outcomes and priorities.</p> <p>The PIF approach will lead to updated scorecards, which will enable elected Members to focus on high level and strategic outcomes rather than low level activity measures. Officers will continue to monitor actions and measures and will continue to review operational performance and ensure that performance delivers on the priority outcomes. The most important part of the PIF will be to identify outcome indicators that clearly show that the actions we take are making a difference and actively contributing to our strategic aims.</p>
4	<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 = £4.090m 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 = £0 additional savings in current year. There are a number of joint</p>

		working arrangements which have previously given rise to efficiency savings and which continue to add value.
		Asset Management = £0.146m additional savings as part of the Service review process, the largest of the savings in relation to replacing lighting units to LED which will also reduce future maintenance and energy costs.
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 business outcomes on the performance scorecards. The business 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 business 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 business outcome are on track. If the business 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 2018, out of 41 business outcomes, all 41 were either green or amber. 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

Cleland Sneddon, Chief Executive



Signed

Aileen Morton, Council Leader

Date: 28/06/2018