

The Highland Council

3 September 2015

Agenda Item	15
Report No	HC/39/15

2014/15 Annual Efficiency Statement

Report by Director of Finance

Summary

This report sets out the Council's Annual Efficiency Statement (AES) for 2014/15.

1. Background

- 1.1 Since 2006/07, Scottish Councils have been required to publish Annual Efficiency Statements to demonstrate the efficiency gains delivered each year. The Highland Council 2014/15 Annual Efficiency Statement (AES), which is appended to this report, has been prepared in accordance with the COSLA guidance "Efficient Government Reporting – Guidance for Local Authorities in Scotland".
- 1.2 The 2014/15 AES (attached as appendix 1) was signed by the Leader of the Council and the Chief Executive on 17 July 2015 and sent to COSLA to meet the 21 August 2015 deadline.

2. 2014/15 Efficiency Savings

- 2.1 While no cash target is set on a per-Authority basis, the Council's estimated target based on 3% efficiencies is £7.9m. This assumed target excludes £2.6m which is the target which can be attributed to adult care services. Following the integration of care services with NHS Highland, it is the responsibility of NHS Highland to identify and report on efficiencies achieved from that budget.
- 2.2 The 2014/15 AES includes efficiency savings of £7.945m which is in line with the Council's estimated target.

3. Implications

- 3.1 There are no resource, legal, equalities, climate change/Carbon Clever, risk, Gaelic or rural implications arising from this report.

Recommendation

Members are asked to note the 2014/15 Annual Efficiency Statement.

Designation: Director of Finance

Date: 18 August 2015

Author: Alison McDonald, Principal Accountant

Background Papers: None

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2014-15

1	Local Authority Name	Highland Council
2	Total cash efficiency achieved for 2014-15	£7.945m
3	<p>Summary of efficiency activity</p> <p><i>Corporate Improvement Programme & Transformation Savings Programme</i> 2014/15 was the final year of Phase 2 of the Council's Corporate Improvement Programme (CIP). The 2014/15 total efficiency savings include £2.529m which can be attributed to CIP projects.</p> <p>Since the beginning of 2014/15, the Corporate Improvement Team has been working with the Council's Executive Leadership Team to develop the Transformation Savings Programme. This programme of savings and transformation projects is intended to deliver savings of £17.8m for the 4 years 2015/16-18/19.</p> <p>Further details of CIP projects and the new Transformation Savings Programme are contained in the report to the 27 May 2015 meeting of the Resources Committee which can be found at the following link : http://www.highland.gov.uk/meetings/meeting/3499/resources_committee (Agenda Item 19)</p> <p><i>Service Restructuring</i> In October 2013, Council agreed to a restructuring of Council Services, with a reduction in the number of Services from seven to five. The restructuring was implemented in two stages during 2014/15 resulting in savings of £0.255m, with full year savings of £0.340m from 2015/16.</p> <p><i>2014/15 Efficiency Savings</i> Some of the other higher value 2014/15 recurring efficiency savings are as follows :</p> <ul style="list-style-type: none"> • Further efficiency savings within ICT contract (£0.600m savings achieved) • Asset management revenue savings from property disposals and lease terminations (£0.391m savings achieved) • Reduction in travel, subsistence and accommodation expenditure (£0.323m savings achieved) • Lower energy costs within primary and secondary schools resulting from the positive impact of biomass boilers and improved efficiency of existing heating systems (£0.250m savings achieved) • Implementation of new shared business support model (£0.300m savings achieved in 2014/15, in addition to £1.320m achieved in 2012/13-13/14) <p>The 2014/15 efficiency savings also include £0.551m capital receipts from sale of surplus assets.</p> <p><i>Collaboration & Joint Working</i> Initiatives in this area include :</p> <ul style="list-style-type: none"> • NHS Highland : Integration of Health & Social Care services • Police Scotland : Shared premises • Children's Panel : Single Area Support Team for Highland and Moray Children's Panels • Pathfinder North : Collaborative programme delivering broadband services across five local authority areas across the Highlands and Islands • Business Gateway : Shared service arrangement with Moray Council • Highland Housing Register : Partnership with registered social landlords • Customer Services : Shared service arrangements with Registration Services, libraries, Visit Scotland and the Passport Office 	

	<ul style="list-style-type: none"> • Hub North Scotland Limited : Joint venture between local authorities, health boards, police, fire and ambulance services in the north of Scotland to improve procurement and development of community infrastructure facilities • Highland Public Sector Property Group : Sharing of information and resources across public sector organisations in order to seek opportunities to rationalise the public sector property portfolio in the north of Scotland • Financial Services : Sharing of services and systems with other Councils and public sector partners eg computer audit services, insurance schemes, council tax direct debit and council tax benefit promotions, pension scheme administration etc • Northern Community Justice Authority : Collaboration with various agencies to deliver community justice services • Scotland's Attainment Challenge : A new partnership across the northern education authorities • Roads Collaboration Project : Sharing information and working towards setting up joint governance arrangement for a North of Scotland grouping of 9 Councils • Highland Trunk/Council Roads Liaison : regular collaboration meetings with Transport Scotland and BEAR Scotland to improve sharing of information and resources for road maintenance • Transport : Joint Transport Manager post with Moray Council • Health Protection Plan : Joint plan with Argyll and Bute Council and NHS Highland • Out of Hours Call Handling : Provision of service by Aberdeen City Council 	
4	Breakdown of efficiency saving	Restructuring & Workforce Planning = £3.571m Service Reviews & Process Improvements = £2.163m Procurement = £0.656m Asset Management = £1.525m Shared Services = £0.030m
5	Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	Across Services a variety of measures are used to ensure that efficiencies are achieved without any detriment to service delivery. These measures include : <ul style="list-style-type: none"> • Service Quarterly Performance Reviews • Statutory Performance Indicators • Internal Performance Indicators • Education Scotland reports • Customer satisfaction surveys • Absence of specific complaints regarding service delivery • External inspection for retention of Customer Service Excellence Standard

Signed (Leader of the Council)

Signed (Chief Executive)

Date