

PROGRESS IN THE “GERSHON” EFFICIENCY AGENDA

EXECUTIVE MEMBER: Cllr M Ashbrook

LEAD OFFICER: Hilary Mitchell

REPORT AUTHOR: Hilary Mitchell

Summary: This reports the latest position on the Council's progress in achieving its Gershon efficiency targets.

Recommendation:	That the Overview and Scrutiny Committee (Performance and Resources) notes the Council's position with regard to the “Gershon” efficiency agenda.
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Impact on delivering corporate objectives

Achieving targets in the Gershon efficiency agenda is one of the objectives in the corporate plan 2006/7.

Impact on other statutory objectives (eg Crime and Disorder and LA21)

Achieving Gershon efficiency targets could free up resources to help achieve other statutory objectives

Financial and human resource implications

The Council needs to make year on year cashable and non-cashable efficiencies of 2.5% from the 2004/5 base.

Project and Risk Management

Corporate Team members are monitoring individual projects in the Gershon programme 2005/8.

**Key Decision Status
Financial
Ward**

This is a key decision in that achieving efficiencies is a requirement for local authorities and other public sector agencies

Other ward implications?

All wards are affected

1. BACKGROUND

Introduction

The Gershon efficiency agenda was introduced across the public sector in April 2005. All public sector agencies are required to make 2.5% efficiencies each year for three years. At least half the efficiencies should be cashable, that is, result in reductions to the Council's budget, compared with 2004/5.

The Government's guidance explains that efficiencies arise from:

“More for the same”

“Much more for a little more”

“More for less”

“The same for less”

“A service cut is NOT an efficiency gain – the efficiency agenda is not about cuts in budget, quality or services “

Guidance was issued by the Government to local authorities setting out the requirements for each category of efficiencies.

The three year target for Copeland Borough Council to be achieved by 31 March 2008 is £975,000. To achieve this Council identified its proposed efficiencies through a programme of changed use of resources, technology and income. Many of the plans that the Council had when the Gershon programme started (corporate restructuring, outsourcing of sport and leisure, IEG programme) were likely to produce a significant proportion of the target sum.

The predicted amounts are monitored through accounting procedures as far as possible. Some calculations of non-cashable efficiencies are less easy to calculate, and the rules covering them from Government need to be carefully followed.

Each year the Council required to make a return to Government on its progress against the targets – the Annual Efficiency Statements (AES). In April a Forward Look for the year to come is sent to the Government, and in June a Backward Look of the previous year. These are externally audited and the results reported through the Annual Auditor's letter.

Progress

AES Workstream	Forward Look Target 2006/7	Progress
Culture and Sport	Annual saving of £3,000 on Sports Centre creche costs; annual efficiency of £60,000 arising from Leisure Trust for reinvestment in Community Sports service	Likely to realise £3,000 cashable and £54,000 non-cashable in 2006/7
Environmental Services	Migration of waste collection bookings to Copeland Direct delivering efficiencies of £10,000	Not likely to yield realisable efficiencies in 2006/7.
	Waste Management – improvement in street cleaning performance against BVPI 199 giving rise to efficiencies of £20,000	Performance is better than target. Final efficiency position will be known at the end of the year.
Homelessness	Build on joint work with Allerdale BC to save management costs.	Joint working with Allerdale is well developed. Single representation for West Cumbria at meetings being an example of efficiencies. Each authority is taking a lead on particular issues on behalf of West Cumbria .
Corporate Services	Outsource Valuation Service to Capita resulting in annual saving	On target

AES Workstream	Forward Look Target 2006/7	Progress
	of £15,000 over baseline year	
	Corporate Restructure in 2005/6 yielding £50,000 savings in 2006/7 over baseline year	On-target
	Outsource Careline service making £175,000 saving in 2006/7	On-target
	Make greater use of web-site for customer self-service. Saving £1,000 in 2006/7	Difficult to measure. Increased usefulness of information and traffic on website, assume reduction in staff time results
	New cheque printing procedures resulting in £5,000 efficiencies	On-target
Procurement	Savings of £3,500 in and efficiencies of £10,000 in 2006/7 arising through achieving IEG targets in eProcurement and eTendering	Public Buildings helpdesk outsourced; public building orders and invoices now electronic; electronic quotations- £3,500 savings achieved from reduction in printing and postage; increasing use of joint procurement for telephony, hire cars, FMS system likely to lead to further small cashable efficiencies in 2006/7.
Productive Time	Plan to reduce problem sickness absence £30,000 efficiency target	Plan delivered and 10% reduction in sickness absence likely to be achieved in 2006/7, through combination of resolving long-term sickness cases, better information and reporting, improved management practices and review of policy. Any efficiency gains need to be verified at year end
	Remote working target of £5,000 efficiencies arising from more time with customers, reduced travelling time	Not likely to achieve target in 2006/7. Pilot not extended, and costs of setting up pilot not recouped through including other posts.
Transactions	Increased use of ePay should lead to savings of £7500 in 2006/7	On-target. Introduction of Civica for cash receipting should lead to saving half a post in 2006/07
	Implementation of MVM should result in efficiency gain of £10,000 when fully in place for Devt Control, Building Control and Land Charges 2007/8	MVM is now named M3. The assumption that M3 would achieve efficiencies through the simplification of administration and streamlining of services in

AES Workstream	Forward Look Target 2006/7	Progress
		Development Services when fully implemented in 2007/8 was a faulty one. Implementation needs to be seen as part of an overall programme of process re—engineering, which may achieve efficiencies. However, this has to be seen in the context of increased workload as both paper based and electronic systems need to be maintained until there is a corporate decision on an electronic DMS.
Miscellaneous	Interest on capital receipts target £94,000 savings in 2006/7	Likely to be on target. Needs to be verified at year end

The Future

The third year of this efficiency programme will include all of the elements listed above.

In addition there are going to be a few other developments coming on stream which should contribute to the Council's overall targets in 2007/8:

- revised arrangements for printing, paper orders and photocopying;
- contract with Capita to improve Benefits resilience leading to cashable efficiencies over the next 5 years;
- travel bookings and procurement cards.