

### Annual efficiency statement - backward look

#### Overarching Key Actions Taken

Lancaster City Council continues to achieve efficiency savings year on year through the application of a wide range of strategies. The Council has a Value for Money (Efficiency) Strategy that sets out a clear framework that links a number of relevant strategies together to support the delivery of a range of key Council objectives and initiatives that underpin the achievement of the Corporate Plan priorities and Medium Term Financial Strategy targets.

The Council also continues to develop its Performance Management Framework in order to strengthen its approach to ensuring it gets the best use from its limited resources whilst seeking to achieve continuous improvement and targeting areas of identified poor performance. The strategies that are integral to the VfM framework are set out below:

- Corporate Property Strategy
- Star Chamber / Gershon Strategy
- Procurement Strategy
- Consultation Strategy
- E-Government Strategy
- Human Resources Strategy
- Risk Management Strategy
- Performance Management Framework

Key actions undertaken as a result of these strategies which have resulted in cashable and non-cashable savings. Such actions include :

- Application of new contract procedures implemented in previous years, resulting in reduced bid costs totalling £69k for capital schemes.
- Working in partnership with OCG Buying Solutions in the letting of various IT contracts, resulting in savings of £15k.

In addition, other efficiencies initiated in previous years have continued in areas such as Housing Benefit claims, sickness absence management and Council Housing Repair and Maintenance section. Other savings are detailed in the following sections.

It should be noted that the majority of savings included in this statement relate to "other cross cutting efficiencies" as these are savings that cannot directly be attributed to front line services. Other service specific efficiencies are being progressed and will produce savings in future years.

	Ongoing gains sustained from 2006/07 (£)		Further gains achieved in 2007/08 (£)		...of which expected to be ongoing (£)		Cumulative gains as at end of 2007/08 (£)		
Title	Total gains	...of which cashable(£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Related links
Environmental services	349,305	0	89,900	0	89,900	0	439,205	0	
<b>2007/08 Primary quality crosscheck</b>									
<b>Quality crosscheck</b>							<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>
Percentage of households resident in the Authority's area served by kerbside collection of at least two recyclables (BV91b)							80.64	90.64	Yes
<p><b>Key actions undertaken to achieve efficiency gain:</b> A further 2.11% improvement in Street Cleansing has been made during 2007/08 (BV199a - Proportion of land and highways assessed as having deposits of litter and detritus which fall beneath an acceptable level), for which the Council can count 2 local Non-Cashable credits (equal to 2/32 of the Council's street cleansing budget of £1,438,400) equating to £89,900)</p> <p><b>Quality crosscheck notes:</b> The Council continues to invest significant financial resources in recycling, waste collection and street cleansing. The implementation of the Three Stream Waste strategy was completed during 2007/08.</p>									
LA social housing (capex)	235,256	127,551	0	0	0	0	235,256	127,551	
<b>2007/08 Primary quality crosscheck</b>									
<b>Quality crosscheck</b>					<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>		
Percentage of homes made decent					100	100	Yes		
<p><b>Key actions undertaken to achieve efficiency gain:</b> Following the merger of the Area Housing Offices in 2004/05, and the centralisation of the Service, cumulative savings of £105k have been achieved. In addition, partnership working with the gas supplier has generated further savings of £5k, as a result of reducing the hours of one Housing Assistant post. The final key action relates to the modernisation of the Repair and Maintenance section, with specific focus on the time taken to undertake standard repair jobs reduce from 22 days to 9 days, giving a productivity saving of £61k for 2005/06 and £6k per annum thereafter.</p> <p><b>Quality crosscheck notes:</b></p>									

	Ongoing gains sustained from 2006/07 (£)		Further gains achieved in 2007/08 (£)		...of which expected to be ongoing (£)		Cumulative gains as at end of 2007/08 (£)		
Title	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Related links
Homelessness	0	0	0	0	0	0	0	0	
<b>2007/08 Primary quality crosscheck</b>									
Quality crosscheck					2006/07	2007/08	Quality crosscheck met?		
Reduction in use of temporary accommodation, where exercising a duty under the homelessness legislation					0.14	0	Yes		
<p><b>Key actions undertaken to achieve efficiency gain:</b></p> <p><b>Quality crosscheck notes:</b> Following the restructure of the housing advice team in 2005/06, continued improvement has been made in relation to the reduction in use of temporary accommodation. The focus of the improvement has been on prevention and working with clients to explore all housing options and empower them to secure and sustain alternative accommodation. (BV183b - Average length of stay in temporary accommodation (hostel)).</p>									
<b>Other cross-cutting efficiencies not covered above</b>									
Corporate services	59,569	59,569	10,000	10,000	10,000	10,000	69,569	69,569	
<b>2007/08 Primary quality crosscheck</b>									
Quality crosscheck					2006/07	2007/08	Quality crosscheck met?		
No new qualifications on the financial accounts (0=No, 1=Yes)					1	1	Yes		
<p><b>Key actions undertaken to achieve efficiency gain:</b> Financial Services undertook a review of the Exchequer function in order to facilitate the introduction of related e-government initiatives, and to plan for future changes to corporate systems such as payroll, creditors, debtors and purchase ordering.</p> <p><b>Quality crosscheck notes:</b> The Council has continued to meet the statutory deadline for closing its accounts whilst ensuring no new qualifications are received. The audit for 2007/08 is due to commence on 21 July and the audit report is due by the end of September 08.</p>									
Procurement - goods and services	284,155	182,833	0	0	0	0	284,155	182,833	
<b>2007/08 Primary quality crosscheck</b>									
Quality crosscheck					2006/07	2007/08	Quality crosscheck met?		
Content and implementation of Corporate Procurement Strategy reviewed in the last year (0=No, 1=Yes)					1	1	Yes		
<p><b>Key actions undertaken to achieve efficiency gain:</b> Savings have been achieved through the use of OGC Buying Solutions, as a result of being able to access competitive framework agreements and managed services. Overall, savings of £15k have been generated on a variety of contract areas. Cash savings of £58k have also accrued from a previous review of employee advertising.</p> <p><b>Quality crosscheck notes:</b> The Council continues to make progress in achieving the targets set out in the Procurement Strategy and regularly reviews and reports to Members.</p>									

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Title	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Related links
Procurement - construction	103,459	103,459	50,000	50,000	50,000	50,000	153,459	153,459	
<b>2007/08 Primary quality crosscheck</b>									
<b>Quality crosscheck</b>							<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>
No efficiency gains to be reported in this sector, (enter 0 in 2006/07 and 0 in 2007/08)							0	0	Yes
<p><b>Key actions undertaken to achieve efficiency gain:</b> Significant one-off savings have been realised on pre-contract cost on major projects in previous years, as a result of the Constructing Excellence culture.</p> <p><b>Quality crosscheck notes:</b></p>									
Productive time	435,372	225,077	179,000	0	179,000	0	614,372	225,077	
<b>2007/08 Primary quality crosscheck</b>									
<b>Quality crosscheck</b>					<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>		
Working days lost to sickness absence (BV12)					11.8	9.9	Yes		
<p><b>Key actions undertaken to achieve efficiency gain:</b> Savings have been generated in certain Services through early retirements or reviewing working practices. The main area of saving came from the closure of the cash offices resulting in annual savings of £81k.</p> <p><b>Quality crosscheck notes:</b> The Council has actively managed its sickness absence by reviewing its Sickness Absence Management policy, improving awareness across the authority, providing training for line managers and producing monthly statistics. This combined approach continues to reduce the number of working days lost from 11.8 in 2006/07 to 9.9 in 2007/08.</p>									
Transactions	716,897	103,471	84,000	84,000	84,000	84,000	800,897	187,471	
<b>2007/08 Primary quality crosscheck</b>									
<b>Quality crosscheck</b>					<b>2006/07</b>	<b>2007/08</b>	<b>Quality crosscheck met?</b>		
Percentage of invoices paid on time (BV8)					89.17	90.2	Yes		
<p><b>Key actions undertaken to achieve efficiency gain:</b> The main area where savings have been generated has been in the administration of Housing Benefits. Overall, since 2004/05 there has been a 65% improvement in efficiency in terms of the time taken to process claims, which has enabled the Service to improve the quality of service it provides.</p> <p><b>Quality crosscheck notes:</b> New claims are now processed 35 days quicker than in 2004/05 (BV78b - Average time for processing new claims (days)).</p>									
<b>Total</b>	<b>2,184,013</b>	<b>801,960</b>	<b>412,900</b>	<b>144,000</b>	<b>412,900</b>	<b>144,000</b>	<b>2,596,913</b>	<b>945,960</b>	