

# Budget and Performance

## ANNUAL FORWARD LOOKING EFFICIENCY STATEMENT 2006-7

4<sup>th</sup> April 2006

### Report of Corporate Director (Finance & Performance)

PURPOSE OF REPORT				
To report IT related costs to Members as requested				
Key Decision		Non-Key Decision	X	Referral from Cabinet Member
This report is public				

#### OFFICER RECOMMENDATIONS

1. That the Budget and Performance Panel note the latest position on preparing the Annual Forward Looking Efficiency Statement for 2006/7 and that once completed, the Statement is circulated to Panel members as soon as practicable.

2. **INTRODUCTION**

At the last Panel meeting, it was agreed that this meeting would receive a report setting out progress on preparing the Annual Forward Looking Efficiency Statement for 2006/7 in accordance with the Gershon efficiency requirements.

3. **Initial Assessment**

The Gershon timetable requires Councils to prepare this statement at the commencement of each financial year and return it to the ODPM in April. This year the statement needs to be completed and returned by April 18<sup>th</sup>. The preparation of the statement is the responsibility of the Member Champion for Efficiency, Cllr Barker, in conjunction with the Chief Executive.

To date, officers in finance have been working with services as they have prepared their business plans to identify initiatives that will help achieve the cashable and non-cashable targets that the Council should seek to achieve throughout the year. The process is still at an early stage but will be completed by the due date.

#### **4. Annual Forward Looking Statement**

In particular, the Statement seeks to identify areas where the Council can make efficiency savings to either, help meet the savings targets in the Medium Term Financial Strategy, or to be redirected into service improvements. The format for presenting the target savings is set by the ODPM and for each initiative the following information needs to be included :-

- Some basic information about the activity to be undertaken
- What will result from the action
- The value of the efficiency gain to be achieved
- An indication as to whether the gain will be cashable or not, and whether it is recurring

All efficiency initiatives must be group under the following headings :-

- Service Specific
- Cross Cutting Services
  - Corporate Service
  - Procurement
  - Productivity Related
  - Transactional Related
  - Miscellaneous

The total Gershon efficiency target for 2006/7 was originally set at £956,000 of which 50% must be cashable. Recent advice from the ODPM suggests that this may reduce to £584,000. Officers are trying to ascertain the correct position and will give a verbal update at the meeting.

#### **5. Panel's Responsibilities**

More importantly from the Panel's point of view, it is their responsibility for monitoring progress throughout the year to check that the initiatives to achieve the targets are being pursued to ensure the predicted outcomes. In this respect, the Panel's work programme includes the presentation of a mid-year progress report back to the 31<sup>st</sup> October meeting. This will be very timely for it will allow the Panel to make any recommendations for change prior to the council formally reporting its mid-year progress position to the ODPM which has to be completed by November 17<sup>th</sup>.

In addition to the forward looking aspects of Gershon, the work programme also includes the presentation to the June Panel meeting of a report regarding the Back Looking 2005/6 Efficiency Statement. This will allow the Panel to scrutinise performance in achieving the targets set 12 months ago for the financial year just ended.

#### **6. Conclusion**

Members are asked to note the process in place for preparing the 2006/7 Gershon Forward Looking Efficiency Statement and note that once complete and signed off by the Leader of the Council and Chief Executive, a copy will be circulated to Panel members as soon as practicable.