

BUDGET AND PERFORMANCE PANEL

Annual Efficiency Statements

25 July 2006

Report of the Accountancy Services Manager

PURPOSE OF REPORT

To provide the Panel with copies of the 2005/06 Backward Looking Annual Efficiency Statement and the 2006/07 Forward Looking Annual Efficiency Statement.

This report is public

1. RECOMMENDATIONS

1. That the Budget and Performance Panel consider and note the Annual Efficiency Statements submitted for 2005/06 and 2006/07.

2. Introduction

At the meeting of the Budget and Performance Panel on 04 April 2006, it was agreed that a copy of the 2006/07 Forward Looking Annual Efficiency Statement (AES) would be circulated to Panel Members. In addition, it was also noted that the 2005/06 Backward Looking AES would also be presented to this meeting. Copies of both statements are appended to this report.

3. 2005/06 Backward Looking AES

Attached at **Appendix A** is a copy of the 2005/06 Backward Looking AES which shows that cumulative gains (including 2004/05 base year) were £1,196,691 against the original target of £960,000. The return was submitted to the ODPM on 06 July 2006, in line with the deadline. It should be noted however, that this will be the first return that is subject to external inspection by the Audit Commission. The exact date and details of the inspection have as yet to be finalised.

4. 2006/07 Forward Looking AES

The total cumulative Gershon efficiency target for 2006/07 was originally set at £1,912,000 of which 50% must be cashable. However, a recent notification from the ODPM stated that

this target had been reassessed and reduced to £1,168,000, and this has been reflected in the submission of the 2006/07 AES. Attached at **Appendix B** is a copy of the statement which shows that the Council is aiming to achieve total cumulative efficiency saving of £1,198,000 against the revised target.

As stated in the April report, the Panel has responsibility for monitoring progress through the year to check that the initiatives to achieve the targets are being pursued to ensure predicted outcomes. In this respect, the Panel's work programme includes the presentation of a mid-year progress report to the 31 October meeting.

5. Conclusion

Members are asked to consider and note both Annual Efficiency Statements. In addition, the outcome of the 2005/06 Backward Looking AES audit will be reported back to Members in due course.

CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)	
None identified arising from this report.	
FINANCIAL IMPLICATIONS There are no financial implications arising directly as a result of this report.	
SECTION 151 OFFICER'S COMMENTS The Section 151 Officer has been consulted and has no further comments to add.	
LEGAL IMPLICATIONS There are no legal implications arising directly as a result of this report.	
MONITORING OFFICER'S COMMENTS The Monitoring Officer has been consulted and has no further comments to add.	
BACKGROUND PAPERS Annual Efficiency Statements : 2006/07 Forward Looking & 2005/06 Backward Looking.	Contact Officer: Andrew Clarke Telephone: 582138 E-mail: aclarke@lancaster.gov.uk