

BUDGET & PERFORMANCE PANEL

EFFICIENCY / VALUE FOR MONEY STRATEGY

23rd October 2007

Report of Corporate Director (Finance & Performance)

PURPOSE OF REPORT

To seek comments from the Panel on the draft updated strategy prior to consideration by Cabinet

This report is public

RECOMMENDATIONS

- (1) That the Panel consider the draft, updated strategy and pass on any comments to Cabinet for their consideration**

1.0 Introduction

- 1.1 In November 2005, Cabinet approved the existing Efficiency/VFM strategy to ensure that there was a clear framework in place to deliver both the financial targets included in the Medium Term Financial Strategy and those required under the Government's Gershon programme. It was recognised at that time that the council had a range of plans and strategies in place to generate savings and efficiencies but it was not always clear how these all contributed to the wider picture. The development of this strategy set out the overall framework of the council's arrangements to deliver efficient, cost effective services that provided value for money.

2.0 Details

- 2.1 Over the last 2 years, the strategy has served the council well and all the annual targets of the MTFs have been met, though clearly these include other savings in addition to efficiency measures. More specifically, the 3 year Gershon efficiency target of £1.752m has not only been achieved in only 2 years but also exceeded with over £2m of efficiencies being generated.
- 2.2 However, the local government change agenda has meant that the existing strategy is now in need of a refresh to ensure that it is consistent with current government

initiatives and changes that have occurred within the council. In particular, the government has recently announced under the Chancellor's Comprehensive Spending Review 2007 (CSR07) that all councils will need to achieve further savings over the 3 year period commencing April 2008 equivalent to 3% of their revenue spending.

- 2.3 As a consequence, this initial draft, updated strategy (attached as **Appendix A**) has been produced for the Panel's consideration prior to its presentation to Cabinet for approval. Due to the success of the existing strategy in identifying savings and efficiencies, it is not proposed to make radical changes, however the strategy has been refreshed to update its component parts where they themselves have changed since the original strategy was approved.
- 2.4 Once more details of the Government's new requirements are known, together with the outcome of the latest Use of Resources Assessment by the Audit Commission, any actions arising will also be incorporated into the Strategy as appropriate. (The Panel will be advised should any such issues arise.)
- 3.1 The Panel are therefore asked to consider the updated, draft strategy and to pass on any comments to Cabinet for their subsequent consideration.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None direct but the component parts of the strategy do impact on all these issues to some degree.

FINANCIAL IMPLICATIONS

None directly from this report although each component part of the strategy will either have financial implications that have previously been approved, or the implications will be considered when the component parts themselves are updated and reviewed.

It is expected that the key components will continue to support the achievement of Government efficiency targets, as well as contribute to the Council's own MTFs targets..

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments to add.

LEGAL IMPLICATIONS

None arising from this report.

MONITORING OFFICER'S COMMENTS

The Deputy Monitoring Officer has been consulted and has no comments to add.

BACKGROUND PAPERS

None

Contact Officer: R Muckle

Telephone: 01524 582022

E-mail: rmuckle@lancaster.gov.uk

Ref: rcm/jeb/effvm