

# ***Report to the Finance and Performance Management Scrutiny Panel***



**Epping Forest  
District Council**

***Date of meeting: 1 June 2006.***

**Portfolio: Finance and Performance Management.**

**Subject: Gershon Efficiency Savings.**

**Officer contact for further information: Bob Palmer (01992 - 56 4279).**

**Committee Secretary: Adrian Hendry (01992 - 56 4246).**

---

## **Recommendations/Decisions Required:**

**To note the contents of the report and consider the efficiencies proposed for inclusion in the backward-looking Annual Efficiency Statement for 2005/06 to be submitted to the Department for Communities and Local Government on 6 July 2006.**

## **Report:**

### **Background:**

1. A detailed report was made to the Finance and Performance Management Cabinet Committee on 18 April 2005 setting out what this Council was required to do to comply with the requirements of the Office of the Deputy Prime Minister (ODPM) as part of the Gershon review. This report is attached as appendix 1 for ease of reference.
2. This is an evolving process and difficulties continue to be encountered with late and unclear guidance from the Government. Members will note from paragraph 21 of the original report that the backward-looking statement for 2005/06 was scheduled for submission by 16 June 2006. However, on 17 May 2006 an additional 60-page guide was issued by the Department for Communities and Local Government (DCLG). As authorities are required to take account of this guidance in constructing their backward-looking statements the DCLG has extended the deadline from 16 June to 6 July. The late issue of this guidance has prevented the completion of a draft backward-looking statement in time for inclusion on this agenda. Instead the numerical data that will form the basis of the submission, and the data for 2004/05, is attached as appendix 2.

### **Backward-Look 2004/05:**

3. As set out in the earlier report, the Council's first submission claiming efficiency gains was required for the 2004/05 financial year and had to be submitted by 15 June 2005. Although no target was set for 2004/05, efficiencies achieved in 2004/05 that continue throughout the period of the review (final year 2007/08) can be counted against the targets set for subsequent years.
4. In compiling the backward-look for 2004/05 Heads of Service were asked to re-visit their earlier efficiency statements to re-consider the contents and investigate any

possible additional efficiencies. This process produced efficiencies totalling £296,860, of which all apart from £200 were considered cashable.

#### **Backward-Look 2005/06:**

5. Members may not be familiar with the headings under which the efficiencies are analysed, but this is the format required by DCLG. The basic definitions of some of the headings are provided in paragraph 23 of appendix 1. Brief comments on the main efficiencies under each heading are given below:
  - (a) Social Housing – significant efficiencies have arisen from the use of atomic clocks and photocells to remove the need for contractors to attend and adjust timers and clocks. The other main efficiency included here comes from the change to non-resident scheme managers.
  - (b) Homelessness – the efficiencies shown here have been generated by the fresh start scheme, which has greatly reduced the use of bed and breakfast accommodation.
  - (c) Corporate Services – this efficiency comes from the changes to the top management structure.
  - (d) Procurement – the main procurement efficiency has come from the re-tendering of the Council's insurance portfolio, although a number of services have made efficiencies in procurement.
  - (e) Productive Time – these efficiencies have been generated from changes to working practices in the Housing Service.
  - (f) Transactions – efficiencies have been generated by improving collection rates for Council Tax and Non-Domestic Rates and improving processing times for benefit claims.
  - (g) Miscellaneous – the efficiencies under this heading arise primarily from interest earnings on the disposal proceeds of surplus assets.
6. In total appendix 2 shows efficiencies of over £938,000, this compares favourably to the Government target of £440,000. However, once the additional guidance mentioned above has been analysed it may be necessary to amend some of the amounts shown.

#### **Options for Action:**

7. Members could ask Heads of Service to identify additional efficiencies that arose in 2005/06, or members could set targets for Heads of Service to achieve in 2006/07 or subsequent periods.

#### **Statement in Support of the Recommended Action:**

8. The data submitted details efficiencies that are more than double the targets set by ODPM/DCLG. As Heads of Service have already re-considered efficiencies in their service areas it is unlikely that any additional efficiencies could be identified.

#### **Resource Implications:**

**Budget Provision:** Efficiencies identified will assist in keeping future Council Tax increases to a minimum.

**Personnel:** Nil.

**Land:** Nil.

**Community Plan/BVPP reference:** Nil.

**Relevant Statutory Powers:** Accounts and Audit Regulations.

**Background papers:** Nil.

**Environmental/Human Rights Act/Crime and Disorder Act Implications:** Nil.

**Key Decision reference:** Nil.