

## APPENDIX C

### AES – Backward Look 2006/07

The council has a twin tracked approach to delivering efficiencies. Services areas are required to identify and achieve efficiencies as part of the annual budget process and medium term financial planning. The council also has a corporate Efficiency Board, chaired by the Director of Finance and Corporate Resources, which is responsible for overseeing the council's efficiency programme.

Additionally the council is committed as part of the Local Area Agreement it has agreed with partners and government, to achieve an efficiency stretch target which has increased the council's overall efficiency target for 2007/08 from £20.5m to £22.5m.

2006-07 saw the council refocusing its efficiency drive with the launch of a new efficiency strategy and the foundations laid for major spend to save schemes in children's social care and IT. These and other measures are expected to yield good savings in future years.

This renewal of the efficiency programme has also led to a review of savings previously stated. Capital savings in the area of social housing were found to have been one-off and therefore have been removed from the cumulative brought forward totals. This has had a negative effect of £7.15m. This has been partly offset by the inclusion of some previously omitted savings of £1.32m in the area of highways. These are explained in further detail in the body of the statement.

Despite the adjustments outlined above, the council are still on-track to achieve its savings target of £22.5m by 2008/09.

The savings detailed in this statement for 2006/07 were achieved through a number of initiatives.

In the area of Adult Social Services, savings made through the restructure of the department to become a part of Housing and Community Care yielded £354k, whilst reconfiguration of service provision in elements of day care and respite care yielded a further £287k. The largest portion of the efficiencies however, was made by negotiating lower than inflation increases in costs for homecare and residential placements.

Highways and parking contracts have been negotiated to bring ongoing savings, the former through restricting inflation to RPI rather than higher industry rates, and the latter by re-tendering an expensive contract and achieving lower prices.

Corporate Services delivered significant efficiency gains in 2006/07 partly as a result of the need to deliver additional savings due to pressures on the children's social care budget arising from increasing numbers of children in care, and partly due to the impact on adult social care of cost transfers from the PCT. Reduced use of consultants in local taxation and benefits, combined with a reduced reliance on agency staff added a further £329k to the savings figure. Changes in the corporate property landlord function, including cost and usage efficiencies amounted to £308k.

£2,059k of one-off savings has been included reflecting savings made on procuring new kitchens and bathrooms, and on external fees. This reflects the final stage of a major replacement programme that has been undertaken to improve the quality of the council's housing stock.

Additionally a new contract managing the procurement of agency staff has led to significant savings in the 10 months it has been operational of £1,114k. OGC negotiated contracts have also been used by the council to achieve a further £90k of procurement savings.

Overall the council has achieved savings higher than those forecast in November, and the quality cross checks show that the council is continuing to deliver high quality services.

<b>Service Area</b>	<b>Description</b>	<b>2006/07 Cashable</b>	<b>2006/07 Non- cashable</b>	<b>2006/07 total</b>
ASC	Reduce costs of respite care provision for carers.	152,000		152,000
ASC	Deletion of four administration posts currently covered by agency staff.	119,000		119,000
ASC	Deletion of one post.	49,000		49,000
ASC	Reduction in stationery budgets.	14,000		14,000
ASC	Delete post of Director of Adult and Social Care and PA	178,000		178,000
ASC	Reduced staffing and running costs of day care provision for mentally ill clients from re-focussing the service..	125,000		125,000
ASC	Reduced mobile phone costs.	8,000		8,000
ASC	Review of the cost of care to clients under the National Assistance Act 1948- failed asylum seekers and those without recourse to public funds through other legislative routes are entitled to support	10,000		10,000
ASC	Efficiencies made through negotiation of contracts for homecare placements.	163,820		163,820
ASC	Efficiencies made through negotiation of contracts for residential placements.	92,685		92,685
<b>Adult Social Services Total</b>		<b>911,505</b>	<b>0</b>	<b>911,505</b>
SRB Services	Efficiency savings - reduction in total operating costs	16,000		16,000
Finance and Corporate Resources	Monies provided in 2004/5 for two years to support and stabilise the Local Taxation and Benefits service and allow time for staff training.	150,000		150,000
Finance and Corporate Resources	Corporate Landlord Account: reduce costs, minimise voids further, increase income from commercial rents and from fee income.	308,000		308,000
Finance and Corporate Resources	Reduced requirement for co-ordination of IT Quality of Service Standard Implementation.	40,000		40,000
Communications and Consultation	Additional income from print, design and film.	37,000		37,000
Human Resources	Reduced overall costs MIS (IT costs)	11,000		11,000

<b>Service Area</b>	<b>Description</b>	<b>2006/07 Cashable</b>	<b>2006/07 Non- cashable</b>	<b>2006/07 total</b>
Legal and Democratic	Reduced photocopying costs	11,000		11,000
Legal and Democratic	Reduced staffing costs	160,000		160,000
Finance and Corporate Resources	Staffing savings - deletion of P07 post + PO1 post (part year)	70,000		70,000
Finance and Corporate Resources	HB - reduced reliance on agency staff	210,000		210,000
Finance and Corporate Resources	IT savings on mobile phone procurement	50,000		50,000
Finance and Corporate Resources	IT savings on software licences	10,000		10,000
Finance and Corporate Resources	Local Taxation and Benefits - reduced use of consultants	368,000		368,000
Finance and Corporate Resources	IT - savings on general equipment procurement	50,000		50,000
<b>Corporate Services Total</b>		<b>1,491,000</b>	<b>0</b>	<b>1,491,000</b>
Street Care	Full year effect of the establishment reducing by one post.	10,000		10,000
Street Care	Full year effect of saving from retirement of post of Waste Management & Recycling Officer.	9,000		9,000
Street Care	Savings in the Street Scene team & related functions to achieve reduced staffing (2 posts) in 2006/07. This would mean bigger areas for the remaining staff to cover. Consulting with existing staff in Street Scene team.	80,000		80,000
Street Care	Reduction in sack based collections for organic waste following extension of bin based collections.	70,000		70,000
<b>Environmental Services Total</b>		<b>169,000</b>	<b>0</b>	<b>169,000</b>
Housing	Supporting People - Efficiency savings through contract reviews and containing costs within cash limited budget.	198,165	391,348	589,513
<b>Supporting</b>		<b>198,165</b>	<b>391,348</b>	<b>589,513</b>

<b>Service Area</b>	<b>Description</b>	<b>2006/07 Cashable</b>	<b>2006/07 Non- cashable</b>	<b>2006/07 total</b>
<b>People Total</b>				
Housing Resource Centre	Reduction in expenditure on temporary accommodation, through (a) no new acquisition of one bed units, and (b) reduction in B&B/TA plan as per ODPM 50% target by 2010.	345,000		345,000
<b>Homelessness Total</b>		<b>345,000</b>	<b>0</b>	<b>345,000</b>
Housing and Customer services	Minor savings across various budget areas.	34,000		34,000
Policy and Research unit: Energy Solutions	A saving of £1k per year can be achieved without too much impact on energy solutions provided they are notified well in advance.	1,000		1,000
One Stop Shop salary	Salary saving of one post.	28,000		28,000
Private Housing	Vacant permanent positions covered by temporary staff for six months.	20,000		20,000
South Kilburn Housing Project	Reduction in Purchasing budgets	2,000		2,000
Travellers' Site	Reduce site management budgets.	4,000		4,000
				0
BHP	Operational Value for Money Savings	440,000	100,000	540,000
<b>LA Social Housing - non-capital Total</b>		<b>529,000</b>	<b>100,000</b>	<b>629,000</b>
BHP	Saving on external fees	304,000		304,000
BHP	Kitchens & bathroom replacements - saving in unit costs	1,396,000		1,396,000
<b>LA Social Housing - CAPEX Total</b>		<b>1,700,000</b>	<b>0</b>	<b>1,700,000</b>
Cemeteries and Mortuaries	Increased income from burials through inflation increase in charges and more effective marketing and reduced costs following implementation of management review.	100,000		100,000
<b>Culture and Sport Total</b>		<b>100,000</b>	<b>0</b>	<b>100,000</b>
Directorate	Saving following end of early retirement provision for former staff member.	16,000		16,000
Environmental Health	Saving following end of early retirement provision for former staff member.	20,000		20,000

<b>Service Area</b>	<b>Description</b>	<b>2006/07 Cashable</b>	<b>2006/07 Non- cashable</b>	<b>2006/07 total</b>
Environmental Health	Improved efficiency in food safety.	34,000		34,000
Health and Safety Licensing	Review 2nd year expenditure for new Licensing Act 2003, removing start up costs and restructuring ongoing operational expenditure.	26,000		26,000
Parks	Increase in income from lettings, events and unscheduled works.	18,000		18,000
Sports	New Contract. Trust status therefore do not have to pay NNDR (contingent on Trust status of contractor).	37,000		37,000
<b>Miscellaneous</b>		<b>151,000</b>	<b>0</b>	<b>151,000</b>
Finance and Performance	Replacement of retiring post holder to be appointed at lower scale point.	20,000		20,000
Finance and Performance	Part-time vacant accountancy post not filled	15,000		15,000
Communication and Student support	Changes to student loan scheme ensures post can be deleted after current post holder retires.	25,000		25,000
Communication and Student support	Council no longer supports bus fares for pupils under 16 years of age.	22,000		22,000
Communication and Student support	Reducing storage costs by moving items to Bridge Park.	10,000		10,000
Chesterfield House Lead Tenant	Savings from efficiency review of facilities management.	5,000		5,000
Early Years	General efficiency savings through improved procurement.	2,000		2,000
Music Service	Move to alternative accommodation in CSD from Claremont High School (subject to further review).	50,000		50,000
Excluded pupils	Use of City Learning Centre to fund pupils out of school	12,000		12,000
<b>Non-school Educational Services Total</b>		<b>161,000</b>	<b>0</b>	<b>161,000</b>
Parking	Contract Saving	107,622		107,622
<b>Local Transport (non-highways) Total</b>		<b>107,622</b>	<b>0</b>	<b>107,622</b>
Highways	Savings from restricting inflation increases on contracts to RPI, not industry level inflation	680,841		680,841
<b>Local Transport</b>		<b>680,841</b>		<b>680,841</b>

<b>Service Area</b>	<b>Description</b>	<b>2006/07 Cashable</b>	<b>2006/07 Non- cashable</b>	<b>2006/07 total</b>
<b>(Highways) Total</b>				
<b>Others</b>				0
Procurement	Savings through OGC contracts	73,807	16,502	90,309
MATRIX	Agency staff vendor management system. Reduced margins, temp to perm fees, national insurance etc.	230,926	883,350	1,114,276
<b>Procurement</b>		<b>304,733</b>	<b>899,852</b>	<b>1,204,585</b>
<b>Grand Total</b>		<b>6,848,866</b>	<b>1,391,200</b>	<b>8,240,066</b>