

TELFORD & WREKIN COUNCIL

CABINET – 13 JULY 2010

VALUE FOR MONEY EFFICIENCIES

JOINT REPORT OF HEAD OF FINANCE AND THE ASSISTANT CHIEF EXECUTIVE

1 PURPOSE

- 1.1 To update Members on progress in achieving and reporting value for money (VFM) efficiency gains for 2009/10 and outline the approach for 2010/11.

2 RECOMMENDATIONS

Members are asked to:

- 2.1 Note that the Council has exceeded its 3% efficiency target for 2009/10 (which will be reported to CLG on the 23 July)**
- 2.2 Approve the information in Appendix 1 which will form the basis of the submission to CLG. Work will continue to refine the detail to ensure that the performance measures are complete and the Council reports all of the efficiencies achieved.**
- 2.3 Note that work will now commence on the 2010/11 target**

3 BACKGROUND

- 3.1 The 2007 Comprehensive Spending Review placed a target on all public services to achieve at least 3% net cash-releasing value for money (VFM) gains per annum over the period 2008/09 to 2010/11. The target for 2010/11 was increased to 4% in the Governments Budget announced in April 2009.
- 3.2 Councils have to report the total net value of ongoing efficiencies as part of the National Indicator NI 179 and will be investigated by the Local Government Office if progress in achieving efficiencies is deemed slow. It is unclear whether the change of Government will have any impact on the requirements of NI 179 going forward.

3.3 Councils are required to submit figures for VFM gains twice a year. For 2009/10, the dates are:

Oct 2009	Projected forecast efficiencies for the year – T&W submitted an estimate of £4.8m giving a cumulative total of £9.4m achieved for the first 2 years i.e. on target to achieving the required 3%
July 2010	Actual efficiencies achieved – detailed in Appendix 1 of this report

3.4 The Leader, Chief Executive and Chief Financial Officer must certify and approve the information prior to submission. Robust processes must be in place to provide assurance on the data submitted and this must be evidenced.

3.5 The amount of VFM efficiencies is also shown on Council Tax bills, alongside comparative information for similar authorities. The 2009/10 estimated efficiencies per Band D dwelling for Telford & Wrekin council is £188 and compares favourably to the national average of £169 for similar authorities. For 2010/11, the council has the lowest council tax in the Midlands and is the 6th lowest out of the 55 unitary authorities, for equivalent services.

4.0 **PROGRESS UPDATE**

4.1 Using the national methodology, targets for Telford & Wrekin Council are:

T&W 2007/08 Baseline	£152.7m
2008/09 Target Efficiencies	£4.6m
2009/10 Target Efficiencies	£4.7m
2010/11 Target Efficiencies	£6.6m
Total 2008/09 to 2010/11	£15.9m

4.2 Efficiencies identified by Service Delivery Unit are summarised below (with detail provided in Appendix 1) and currently total £5.62m, which is 3.7% of the baseline, assuming all performance measures are met.

Service Delivery Unit	2009/10 Target £'000	2009/10 Efficiencies £'000	Variance £'000	Percentage Efficiency %
Safeguarding & Corporate Parenting	488.47	91.000	(397.470)	0.6%
Learning & Achievement	354.39	119.330	(235.060)	1.0%
Regeneration & Housing	67.52	66.260	(1.260)	3.0%
Early Intervention	452.48	1,147.690	695.210	7.9%
Property & Design	379.34	395.736	16.396	3.2%
Economic Development	50.19	78.868	28.678	4.9%
Environmental Services	669.81	644.868	(24.942)	3.0%
Planning & Transport	181.90	216.730	34.830	3.7%
Adult Social Care Delivery	963.72	906.000	(57.720)	2.9%
Adult Social Care Commissioning	46.01	81.000	34.990	5.5%
Community Protection	129.53	213.000	83.470	5.1%
Customer & Leisure Services	365.89	269.116	(96.774)	2.3%
Governance	95.93	62.000	(33.930)	2.0%
ICT & Procurement	200.41	484.480	284.070	7.5%
Finance	102.90	65.000	(37.900)	2.0%
Assistant Chief Executive	171.51	583.000	411.490	10.5%
Council Wide		195.500	195.500	
Total	4,720.00	5,619.578	899.578	3.7%

4.3 We must also be able to show that the VFM gains achieved have not led to a decline in service quality. Service Delivery Units were asked to identify performance measures to evidence this, however this information is still being gathered and work will continue over the next few weeks to fill in the gaps. If information is not provided, these efficiencies will have to be deleted and the overall total will reduce accordingly.

5.0 **CHALLENGE & SCRUTINY**

5.1 It is important that the process for collecting and reporting NI 179 efficiency information includes sufficient challenge and scrutiny. To achieve this both Internal Audit and the Value for Money Scrutiny Group have had a role to play in validating the data and processes.

5.2 The Value for Money (VFM) Scrutiny Group has reviewed the efficiencies in two stages: the complete schedule was reviewed in April from which a range of efficiencies were selected for more detailed challenge at their meeting in.

5.3 Internal audit are also reviewing the process and a small sample of efficiencies as part of their work programme and their recommendations/findings will feed into the final submission.

6 **NEXT STEPS**

6.1 In accordance with the guidelines, the cumulative value of efficiencies achieved at 31st March 2010 will be signed off by the Leader, Chief Executive and S151 Officer and then submitted to CLG by the 23 July deadline.

7 **2010/11 EFFICIENCY TARGETS**

7.1 Council's have to achieve 4% efficiencies in 2010/11, which is the final year of the 3 year efficiency agenda (subject to change by the new Government). For Telford & Wrekin this equates to £6.6m and is shown analysed to Service Delivery Unit below:

Service Delivery Unit	10/11 NI 179 Target £'000
Safeguarding and Corporate Parenting	720.009
Learning & Achievement	502.420
Regeneration & Housing	95.402
Early Intervention Children & Young People	474.542
Property & Design	546.227
Economic Development	72.271
Environmental Services	964.490
Planning & Transport	261.922
Adult Social Care (Delivery)	1,387.708
Adult Social Care Commissioning	66.253
Community Protection	186.524
Customer & Leisure Services	523.717
Governance	111.635
ICT & Procurement	288.582
Finance	148.165
Assistant Chief Executive	250.133
Total by Service Delivery Unit	6,600.00

7.2 The 2010/11 forecast efficiency figure has to be submitted to CLG by the 22 October 2010 and Service Delivery Units are beginning to collect proposals to meet this target.

8. **OTHER CONSIDERATIONS**

Equal Opportunities

There are no equal opportunities directly arising from this report

Environmental Impact

NI 179 is submitted electronically; there are no other environmental impacts directly related to this report.

Legal Comment

There are no legal implications directly arising from this report.

Links With Corporate Priorities

The efficiency agenda links closely with the Corporate Ambition: Being an Effective Modern Council

Opportunities and Risks

NI 179 is a reporting mechanism to Government and does not in its own right make efficiency decisions. The opportunities and risks associated with the report have been identified and assessed. Arrangements will be put in place to manage the risks and maximise the opportunities that have been identified.

Financial Implications

The efficiencies shown are cash-releasing to meet the criteria for NI 179. The Council's budget strategies include savings and identify the associated financial implications. Those which meet NI 179 criteria have been included in NI 179. Other cash-releasing benefits are recycled to further improve services and efficiency in line with the principles of the Government's efficiency agenda.

Ward Implications

Nil

Report prepared by:

Felicity Mercer, Policy Planning Manager

Tel: (01952) 380136

Pauline Harris, Corporate Finance Manager

Tel: (01952) 383701