

Annual Report on Efficiencies: 2017-2018

Informal Resources Portfolio Meeting

28 June 2018

Director of Finance

1 Introduction

- 1.1 The agreed Efficiency and Value for Money Policy (agreed at the Resources Portfolio meeting on 13 April 2017: agreed on a biennial basis) requires that an annual efficiency report is considered by the Resources Portfolio Holder.
- 1.2 The report covers both efficiency savings achieved in 2017-2018 and work towards future efficiency savings.

2 What is an Efficiency Saving?

- 2.1 An efficiency is not just a saving. It is a saving that can be made without any adverse impact on service delivery. Such savings are sometimes cash savings and sometimes non-cash. The latter can occur when system efficiencies enable a saving in time. In the short-term, such savings are difficult to turn into cash savings, but these can sometimes be achieved in the longer term.
- 2.2 After successive years of efficiency savings, many efficiencies have been made. Whilst opportunities will always arise, these are getting more difficult to identify. Because of this, the Council is focusing on income generation. It would therefore seem sensible to broaden out this report to cover income generation.

3 Major Efficiency Projects: Savings Realised During 2017-2018

- **Investment in a Property Fund** - The total investment in the CCLA Managed Property Fund is £4m.
During 2017-2018 the investment in the Property Fund has generated over £194,000 more than if the £4million had been placed in the usual cash deposits (using the average return on other treasury management cash).
- **Other Treasury Management** – it is estimated that, by using investments other than cash deposits, £45,000 of additional interest income was realised during 2017-2018.
- **Business Rates Retention Scheme (BRRS) Rates Pool** - the Council committed to the Cumbria Business Rates Pool from 1 April 2014. This reduces the levy paid to the Government and increases the income to the Council from the Business Rates Retention Scheme. The Council received £271,000 income from the pool in 2017-2018. This is income that is additional to the 'normal' BRRS income that would have arisen in the absence of the pool.

4 Other Efficiencies in 2017-2018

4.1 Staff are very aware of the difficult financial environment facing all local authorities. They seek to use their budgets as effectively and efficiently as possible. Every quarter the Director of Finance asks Section Heads to inform him of any efficiencies made. This serves a two-fold purpose, firstly, it reminds Section Heads of the importance of continuously identifying efficiencies, secondly, it creates a record of efficiencies. Some examples of other efficiencies are as follows:

- **Acquisition and Letting of 4 and 4A Corney Square** – the two properties were acquired during 2017-2018 and have now been let to tenants at a combined rental of £7,000 per annum. It is estimated this equates to a return of 3%;
- **Customer Services Staffing** – during 2017-2018, the number of hours required for temporary staffing was reduced, realising savings of £13,000;
- **Vehicle Parking** – management and maintenance of Christian Head Car Park, Kirkby Stephen was passed to Kirkby Stephen Town Council, realising a saving of £8,000 and

5 Future Efficiency Savings

5.1 On 14 April 2016 the Council considered a business case for a major project to digitise the Council's services. This was agreed by the Council with the implementation being over the next two years. Whilst the key aim of this project is to improve and extend access to services for customers, one very important outcome is to enable the Council to deliver services in a more efficient way. The business case included modest staff and service savings, but the expectation is that successful implementation of the project will give more significant scope for savings in the long-term as services across the council are re-designed. The project has been delayed but is now expected to progress and, although only limited efficiencies have been generated to date, significant efficiencies are expected in the future.

5.2 On 9 March 2017 the Council considered and approved a report recommending replacement of its Revenues and Benefits software. This has now been implemented. One of the outcomes from this will be on-line access to customer accounts and the issue of on-line documents. When implemented, it is expected savings will be realised.

5.3 On 30 January 2018 the Council entered into a new long term agreement for insurance following a competitive tender exercise. The new contracts have provided a saving of £15,000 per annum.

5.4 Other items include:

- Devolution of services to Town and Parish Councils. Market Arcade Public Convenience will be devolved in 2018-2019; estimated annual saving of £18,000. Other devolution projects are being pursued, including footway lighting, other public conveniences and open spaces;
- Income from the Council's Company, Heart of Cumbria Limited. The business case for acquisition of affordable housing shows income arising and increasing from 2018-2019;
- Letting of employment units in the district; and
- Continued reduction in paper copy printing of planning applications for Parish Councils.

After being considered by the Resources Portfolio Holder, this report will be publicised on the Corporate and Members' Bulletin Boards