

Meeting: Finance Management Sub-Committee
Date: 19 July 2007
Report of: Director of Finance & Resources
Subject: Annual Value for Money and Efficiency Report
Wards Affected: All

1 Purpose of the report

- 1.1 This is the third Annual Value for Money and Efficiency Report for the council with previous reports having been submitted to Policy & Resources Committee. It provides an opportunity to update members on the Annual Efficiency Statements that must be submitted to central government.
- 1.2 The report provides a framework for action planning to improve the Council's use of its resources and to report on its delivery against those plans. The report also details the approach that is being taken to develop a value for money programme of reviews.

2 Recommendations

- 2.1 That the Finance Management Sub-Committee endorse the 2007/08 "forward look" Annual Efficiency Statement submission.
- 2.2 That the Finance Management Sub-Committee endorse the actions taken in 2006/07 to improve the Council's use of its resources.
- 2.3 That the Finance Management Sub-Committee support the actions planned for 2007/08 to improve the Council's use of its resources.

3 Annual Efficiency Statements

- 3.1 Local government is required to achieve, relative to a 2004/05 baseline, total annual efficiency gains of at least £6.45bn by 2007/08. This equates to a 10% efficiency savings (or 2½% per year) over a 4-year period. It is a further requirement that at least half of this be cashable. The balance may be achieved through "non-cashable" efficiency gains, for example, productivity gains where

- staff time is saved (e.g. a saving in the time taken to process planning applications) but where there is not necessarily a cash saving to the organisation. This target has been derived from the review of Public Service Efficiency conducted by Sir Peter Gershon, commonly known as "The Gershon Review".
- 3.2 From 2008/09 the government is expected to increase the annual efficiency savings target for local authorities to 3%, all of which must be cashable. This will apply over the 3-year period covered by the forthcoming Comprehensive Spending Review (CSR 07) from 2008/09 to 2010/11.
 - 3.3 The department for Communities and Local Government (CLG) is responsible for collating the results of achievement against planned savings for local government and reporting them to HM Treasury and the Office of Government Commerce. This does not include the schools efficiency programme, which is assessed by the Department for Education and Skills.
 - 3.4 The reporting framework to CLG includes a "forward look" efficiency statement for the coming year, a "mid-year update" and a "backward look" on what has been achieved after the year-end. Some technical guidance has been produced to assist local authorities in reporting their efficiency savings although there are some areas where there is further technical development in progress.
 - 3.5 Mechanisms for providing advice and capacity to assist local government in meeting its targets have been put in place. In particular we have been working closely with the South East Centre of Excellence, hosted by Kent County Council to identify efficiencies that can be gained from a range of collaborative working across local authorities. Guidance is also regularly issued by CLG.
 - 3.6 The 2007/08 "forward look" Efficiency Statement was submitted to CLG by the deadline of 12 April 2007. The statement is approved by the Chief Executive and the Leader of the Council. The council's strategy to deliver the required efficiency savings, which is described in the statement, is taken straight from the Medium Term Financial Strategy, approved by Policy & Resources. The detailed cashable savings included in the statement directly flow from the budget setting process for the General Fund, including specific grants, and the Housing Revenue Account.

- 3.7 The focus on efficiencies, cross-cutting savings and management savings as part of setting the budget and the transparency of recording this information mean that identifying savings for the forward look statement was a relatively simple process and the need for additional analysis was kept to a minimum. Because of the Council's overall financial position and need to deliver substantial cashable efficiency savings to keep council tax rises relatively low, we have been able to report cashable savings substantially above the targets set for each of the 4 years.
- 3.8 Identification of non-cashable savings to include in the statement was a more challenging process because these do not affect our overall budget position and are therefore not captured in a systematic way. An example of a non-cashable saving would be an improvement in performance or output (productivity) of a service for the same level of input resources (e.g. staff). In compiling these statements we have focussed in particular on using data sources such as the regular Performance Reports to Policy & Resources to help in the identification process.
- 3.9 The 2007/08 "forward look" Efficiency Statement is attached at Appendix 2 or information. A similar process is being followed to complete the 2006/07 "backward look" Efficiency Statement. Additional guidance has been provided this year by CLG on calculating efficiencies and the deadline for submission of this return is 5th July. A provisional calculation indicates that we are on track to achieve the planned savings in overall terms and certainly exceed the government's requirements, although within that some services areas have achieved more than planned and some less.
- 3.10 In summary therefore the following savings are reported against the cumulative target:

	2004/05 Actual Savings Achieved	2005/06 Actual Savings Achieved	2006/07 Actual Savings Achieved	2007/08 Planned Savings	Cumulative Total
Total Target	£6.227m	£8.469m	£6.003m	£6.848m	£27.547m
of which cashable	£3.894m	£5.478m	£5.398m	£6.401m	£21.171m

3.11 The following table shows how the council has performed against the cumulative targets up to 2006/07 and it's planned performance against the cumulative target up to 2007/08.

	2006/07 Cumulative target	2006/07 Cumulative Savings Achieved	2006/07 Target Exceeded by:	2007/08 Cumulative Target	2007/08 Achieved & Planned Cumulative Savings	2007/08 Target Exceeded by:
Totals	£16.791m	£20.699m	£3.908m	£22.388m	£27.547m	£5.159m
of which cashable	£8.395m	£14.770m	£6.375m	£11.193m	£21.171m	£9.978m

The above table shows that the Council has exceeded its overall target by £3.908m as at 2006/07 and has exceeded the cashable element of the target by £6.375m.

4 Approach to Efficiency, Value for Money and Use of Resources

4.1 Medium Term Financial Strategy and Budget Setting

The focus on cashable efficiency savings as part of the budget setting process and to meet our Gershon targets could result in an interpretation of efficiency that is purely finance driven. It is therefore important to reiterate the connectivity between efficiency, customer service and performance and the Council's overall duty to promote economy, efficiency and effectiveness in the use of its resources in order to provide value for money for the council taxpayer. These links are clearly recognised in the Council's Corporate Plan, Performance Plan and Medium Term Financial Strategy, which together form the Delivery Plan. These detail the performance targets, Local Area Agreement targets and service outcome targets (e.g. Children & Young Peoples Plan) that the Council has set itself. The achievement of efficiencies is as important to achieving these targets as service improvement. This overall approach has enabled the Council to deliver very substantial efficiency savings while improving and investing in front-line service provision.

4.2 Duty to secure Value for Money and the "Use of Resources" Assessment

As referred to above, the Council has a responsibility to put in place proper arrangements to secure the economy, efficiency and effectiveness in the use of its resources, and to ensure proper stewardship and governance, and regularly to review them. An opinion on the Council's arrangements for securing value for money is given in the auditor's Annual Governance Report presented to Policy & Resources each year.

The Council scored a 2 (out of 4) in the 2005/06 Use of Resources Assessment. Although this was the same score as the previous year, this was under the revised "CPA harder test" which included a greater focus on Value for Money. The findings have already been reported to Policy & Resources through the "Annual Audit and Inspection Letter".

4.3 Statement of Internal Control (SIC)

The Council has to report on its framework for securing economy, efficiency and effectiveness in the annual Statement of Internal Control (SIC), which forms part of the Statement of Accounts. Key actions taken to improve this framework during 2006/07 are set out in Appendix 3. Key priorities to improve this framework during 2007/08 are also included at Appendix 3. These are considered to be evidence of a strong approach to continuous improvement, rather than evidence of fundamental weaknesses in this framework and this is supported by the conclusions of the Statement of Internal Control. There are more detailed actions included in the Finance & Resources and Strategy & Governance Departmental Development Plans (DDPs) and relevant team plans team and only those with greatest impact are highlighted for member attention in this report.

4.4 Value for Money Approach

The Council has long recognised the importance of systematically reviewing its services in order to support not only the delivery of efficiency savings but also to ensure that good performance and best practice are achieved wherever possible. Many Best Value reviews and other key service reviews have been undertaken and have delivered improved outcomes and/or efficiency.

In the 2007/08 budget setting process, the Council also recognised the value of looking further at cross-cutting efficiency measures (e.g. using a Neutral Vendor to drive down agency staffing costs Council-wide) and also increased the focus on reviewing management costs across services to ensure maximum investment in front-line services and better value for money.

This systematic approach now needs to be galvanised into a robust programme of reviews. To do this, the Council has engaged expert outside help in the form of PricewaterhouseCoopers who are widely recognised specialists in conducting public and private sector value for money programmes. However, rather than bring in PwC simply to conduct the reviews, the Council has asked PwC to help us build up our knowledge, capacity and skills internally so that we can provide ongoing support to a value for money programme of reviews. This is a cost-effective way of employing the consultants and the methodology and approach is set out below.

5 Value for Money Improvement Programme

5.1 As mentioned above, PwC have been engaged to assist the Council in developing a value for money improvement programme and associated methodology and to assist in growing internal capacity and skills to provide ongoing support to the programme of reviews. The methodology and approach adopted by PwC is as follows:-

- i) PwC will spend approximately 4 months with the Council helping us to develop a programme of value for money improvement projects;
- ii) PwC's approach will be to focus on delivering improvements rather than spending more time reviewing and analysing services. This is on the basis that many services already have very detailed knowledge and analyses of differences (e.g.

benchmarking, comparative unit costs and performance data);

- iii) They will construct the programme by taking into account a range of complex factors that will help the Council prioritise the improvement programme. Factors will include:
 - Corporate priorities
 - Service performance
 - Spending and unit cost comparisons
 - Cost versus benefit evaluations
 - Potential to improve or achieve efficiencies and at what level of investment i.e. is there a “quick win” or is wholesale transformation needed
 - Stakeholder views/workshops
 - iv) The programme will identify a range of projects in the following categories:
 - Tactical – e.g. procurement, contract management reviews;
 - Operational – e.g. process improvements, demand management projects;
 - Strategic – transformational projects requiring cultural or step change.
 - v) The output of each review will be either an implementation plan, improvement project plan or business case depending on whether to go for quick wins or invest in service transformation.
- 5.2 In order to ensure the transfer of skills and knowledge to build internal capacity, PwC have adopted a “once, twice, thrice” approach for the first 3 review areas which management have identified as Adult Social Care, Corporate & Strategic Services, and another area yet to be identified. This work will operate in tandem with the development of a longer-term programme of improvement projects. The process will be as follows:
- i) For the first review area, Adult Social Care, PwC will lead the review and take a core group of service and support service staff (Finance, Project Managers, Organisational Development, etc.) through the review process;
 - ii) For the second review area, Corporate & Strategic Services, PwC will work jointly with a similar group of staff, again involving finance, project services and organisational development officers who will be key to supporting the ongoing improvement programme when PwC have finished.

- iii) For the third review area, yet to be determined, PwC will act in an advisory capacity only and the review will be led by a structured internal team.

- 5.3 The value for money improvement programme will include projects that will take between 6 months and 2 years to undertake and implement depending on their complexity and the level of service transformation recommended. These projects will clearly be an important element of helping the Council to deliver efficiency savings while improving services. However, the timing and, in particular, implementation of these reviews may not dovetail perfectly with the Council's annual budget setting requirements and there will still need to be a parallel process of identifying other efficiency savings as part of the annual budget process. As the outcome of reviews are known and the financial savings and investments are quantified, these can be built into the Council's Medium Term Financial Strategy.

6 Consultation

- 6.1 No specific consultation has been undertaken in preparing this report.

COMMITTEE REPORT APPENDIX

Meeting/Date	Finance Management Sub Committee 19th July 2007
Report of	Director of Finance & Resources
Subject	Annual Value for Money and Efficiency Report
Wards affected	All
Financial implications Details of efficiency savings are included in the body of the report as are links to the Council's overall responsibilities to secure economy, efficiency and effectiveness in the use of its resources. The outcome and outputs from value for money projects will need to be quantified in financial terms and built into the Council's budget setting process and Medium Term Financial Strategy. <i>Finance Officer consulted: Nigel Manvell 27th June 2007</i>	

COMMITTEE REPORT APPENDIX

Legal implications

1. The approach adopted in the report is consistent with the Council's duty of best value under the Local Government Act 1999 and associated guidance.
2. The impact of efficiency savings on the discharge of statutory duties needs to be monitored as part of the implementation process to ensure that the Council can continue to discharge these duties adequately.
3. In relation to specific proposals for efficiency savings, the approach on budget matters agreed by Policy and Resources Committee (P&R) in January 2007 will need to be taken into account. It was as follows:-
 - (1) budget proposals which do not involve significant or sensitive service changes will not normally need to be considered by the service committee before they are taken into account in budget reports to P&R;
 - (2) where one or more of the following applies, consideration should be given to consulting the service committee before a matter is raised as a budget issue at P&R:
 - (a) where the matter is associated with political or other controversy or sensitivity;
 - (b) where, in relation to the matter, there are legal requirements to undertake consultation and full consideration of responses by the decision maker.

If it is not practicable to have done the detailed assessment / consultation before reporting to P&R, the budget proposals to P&R should state that they are subject to the completion and due consideration at the appropriate level of such consultation / assessment.
4. There are no adverse Human Rights Implication arising from the report.

Lawyer consulted: John Heys

Date: 10th July 2007

COMMITTEE REPORT APPENDIX

<p>Corporate/Citywide implications The Council's framework for securing the economy, efficiency and effectiveness in the use of the resources is essential to deliver corporate and citywide objectives.</p>	<p>Risk assessment Effective management of risk is part of the Council's framework for securing the economy, efficiency and effectiveness in the use of resources.</p>
<p>Sustainability implications There are no direct sustainability implications arising from this report.</p>	<p>Equalities implications There are no direct equalities implications arising from this report,</p>
<p>Implications for the prevention of crime and disorder There are no direct crime and disorder implications arising this report.</p>	
<p>Background papers Efficiency Technical Notes for Local Government. Audit Commission Statement of responsibilities of auditors and of audited bodies. Budget working papers.</p>	
<p>Contact Officer Nigel Manvell, Assistant Director - Financial Services x3104</p>	

Annual efficiency statement - forward look 2007/08

Strategy for making and monitoring efficiency gains

Generally, our strategy is a continuation of last year and as set out in the council's Medium Term Financial Strategy 2006-07 to 2008-09.

Our focus continues to be on improving efficiency and providing value for money in order to protect frontline services from service reductions as far as possible. We will achieve this both in service specific areas through the Targeted Budget Management process and in cross-cutting corporate areas. These will need to make substantial contributions to balance the council's financial position. We recognise that in many cases efficiency and productivity gains will significantly improve value for money for the council taxpayer but may not result in cashable savings or may at best result in cost containment.

Our strategy for 2007-08 to 2008-09 has shifted toward a greater focus on comparatively high spending or high unit cost areas as well as looking for value for money across services and cross-cutting areas as mentioned above. In particular, management and administration arrangements are being continually reviewed in these areas, alongside our vacancy management policy, to rationalise, merge or otherwise produce efficiencies while protecting or improving front line service delivery.

This year, our budget setting process has also focused on containing cost pressures so far as practicable, particularly in adult and children's social care, rather than looking for savings elsewhere to balance the budget. These containment measures, principally across children's foster care and agency placements, and adult learning disability and physical disability placements, should result in significant non-cashable efficiencies if delivered, however, these have not been declared at this time as commissioning strategies are still being finalised.

There is also a greater focus on cross-cutting procurement efficiencies, including implementation of a 5-year carbon management programme, and the council will be taking advice on the development of a corporate value for money approach and revised programme that we intend to roll-out shortly.

Key actions to be taken during 2007-08

Extract from Medium Term Financial Strategy, revised April 2006

Note that the actions set out below cover the 3 year planning period and that some of the actions are a continuation from last year to deliver further efficiencies.

Key actions to be taken during 2007-08

Children's Agency Placements: cost-effective procurement of agency placements, reduce reliance on independent foster agency placements, use targeted cross cutting initiatives such as the Divert project to prevent children at risk from becoming looked after; develop multi-agency preventative services through the Children's Trust in particular integrated family support teams and Children's Centres; use the Special Educational Needs and Behaviour Support Services reviews to ensure use of expensive residential educational agency placements are minimised through appropriate local provision.

Housing Benefits: improve debt collection of housing benefit overpayments; continue to promote fraud prevention initiatives and effective fraud investigation.

Community Care for Older People's services: continue to reduce reliance on expensive residential and nursing home placements through expanding homecare provision and providing additional extra care housing facilities; minimise delayed transfers of care through the effective use of intermediate care, transitional beds, and the development of the night time home care service; continue to develop community based and rehabilitative services linked to the joint commissioning strategies in place with the PCT.

Homelessness: continue to reduce reliance on expensive bed and breakfast accommodation through effective procurement of alternative forms of temporary accommodation such as private sector leasing;

Section 31 Community Care Budgets: use of Supporting People resources for people with mental health and housing issues; continue to implement commissioning strategies designed to reduce reliance on expensive residential and nursing home placements; develop more appropriate supported housing options for people with Learning Disability difficulties and develop local provider market;

Procurement: routine collaboration with East and West Sussex Councils and access to consortium contracts ; active participation in the Southeast Centre of Excellence (SECE) work-streams for Property, Social Care, Supplies, and Waste; accessing pre-tendered OGC Buying Solutions (OGCBS) contracts including telecom's, mobile phones, computer software and hardware

Asset management: energy efficiency to reduce revenue costs for operational buildings as part of Carbon Management Programme; capital receipts programme linked to a strategic review of the commercial portfolios; continuing to reduce office accommodation costs per person reducing overall office space requirements including a combination of changes to working environments such as hot-desking and home working where appropriate.

ICT: utilise Electronic Document Record Management, e-Forms and e-invoicing to reduce transaction costs; use technology to support integrated working across social care and health; promote mobile working; further development of e-government and customer relationship management

Staffing: continued roll-out of the Agency Staff Neutral Vendor Service and Admin All Areas; improving attendance at work through sickness absence management.

Key actions to be taken during 2007-08

Carbon Management Programme: the council has developed a carbon management programme in association with the Carbon Trust. The programme aims to significantly reduce the council's carbon footprint by 20% over 5 years and will produce both cashable and non-cashable energy efficiencies over the period.

Annual Efficiency Statement – Detailed Strategy and Actions by Service

Service	Expected annual efficiency gains (£)	...of which cashable (£)
Adult social services	947,000	947,000
<p>Strategy: 1. Improving the value for money of the in-house home care service which has higher comparable unit costs. 2. Reducing the reliance on agency staffing and reducing staffing costs. 3. Achieving management and admin. efficiencies across a range of services.</p> <p>Key actions: 1. Continued restructuring and implementation of the value for money review of the in-house home care service through vacancy management. 2. Ensuring that only Neutral Vendor and in-house agencies (Care Crew) are used to achieve lower agency costs and also placing tighter controls on agency usage. 3. A major restructure of the management of adult social care has been undertaken at Group Manager and Service Manager levels.</p>		
Children's services	655,000	655,000
<p>Strategy: 1. Reprovision of a high unit cost residential service for children with disabilities currently provided by the independent sector. 2. A range of management and admin savings, as well as supplies and services efficiencies, have been agreed.</p> <p>Key actions: 1. The current high cost contract for Palmeira House will be terminated and services reprovided in-house at the Drove Road facility after completion of capital works. 2. Management & Admin savings will be achieved through vacancy controls in identified areas together with minor reorganisation of roles.</p>		
Culture and sport	522,000	522,000
<p>Strategy: 1. Increasing income & sales through improved Visitor Information Centre (VIC) facilities. 2. Management & Admin savings across Museums & Libraries, Economic Development, and Communications.</p> <p>Key actions: 1. Relocation of the VIC to the world famous Royal Pavilion together with new marketing strategies to increase footfall and sales income.</p>		

Appendix 2 – Annual Efficiency Statement – Forward Look 2007/08

Service	Expected annual efficiency gains (£)	...of which cashable (£)	
			2. Management & Admin savings will be achieved through vacancy controls in the identified areas together with minor reorganisation of roles.
Environmental services	474,000	344,000	
	Strategy:		<ol style="list-style-type: none"> 1. Improving the efficiency of the recycling and refuse collection services. 2. Management & Admin savings across City Parks and City Clean and public safety. 3. Continuation of waste minimisation strategy through joint PFI contract with East Sussex CC.
	Key actions:		<ol style="list-style-type: none"> 1. Improved sickness management will be introduced across Recycling and Refuse Collection services. 2. Top level management will be rationalised in City Parks and City Clean to ensure a common management approach. Other management & admin savings will be achieved through vacancy management and minor restructuring of roles. 3. The extension of its wheelie bin service to residents, which has provided the Council with the opportunity to limit capacity per household for simply disposing of waste, that otherwise would have ultimately been sent to landfill. Publicity campaigns organised by City Clean to heighten awareness of the need to reduce, reuse and recycle, by methods such as home composting. The provision of additional staff at the Household Waste Recycling Sites, together with licence plate recognition technology, which have helped to potentially limit the amount of trade waste received at the sites.
Local transport (highways)	1,347,000	1,347,000	
	Strategy:		<ol style="list-style-type: none"> 1. Reduction of off-street parking costs. 2. Other associated process efficiencies are planned. 3. Management & Admin efficiencies through vacancy management.
	Key actions:		<ol style="list-style-type: none"> 1. The Off-street parking contract has been retendered at a significantly reduced price. 2. Processes for Notice handling and treatment of abandoned vehicles have been streamlined and/or built into the new parking contract.
LA social housing (other)	636,000	636,000	
	Strategy:		<ol style="list-style-type: none"> 1. Reduction in homeless payments for B&B placements. 2. Reduction in general and boiler repair costs through streamlining processes, contract renewal, and review of standards. This will have associated impacts on rental income streams due to reductions in voids.
	Key actions:		<ol style="list-style-type: none"> 1. Reduced number of B & B placements through improved management processes. 2. Reduced costs due to boiler replacements being more efficient. 3. Reduction in the average cost of Empty properties repairs and reduced number of empty properties due to streamlined processing of repairs. 4. Estimated savings from retendered Repairs contract.

Appendix 2 – Annual Efficiency Statement – Forward Look 2007/08

Service	Expected annual efficiency gains (£)	...of which cashable (£)
	5. Management of empty properties will reduce numbers and increased turnaround times which will increase rental income.	
Non-school educational services	259,000	259,000
	Strategy: 1. A range of management and admin savings, as well as supplies and services efficiencies, have been agreed.	
	Key actions: 1. Management & Admin savings will be achieved through vacancy controls in identified areas together with minor reorganisation of roles.	
Supporting people	317,000	0
	Strategy: 1. Continuation of SP reviews to ensure efficiency savings target required from central govt cash limited grant can be delivered while service delivery protected.	
	Key actions: 1. Scheduled Supporting People reviews and monitoring throughout contract renegotiation as appropriate.	
Homelessness	180,000	180,000
	Strategy: 1. Reduction in unit costs of temporary accommodation. 2. Management & Admin savings are planned in the Independent Living Team.	
	Key actions: 1. Secure additional longer term private sector leased accommodation which attracts higher subsidy rates under current regulations. 2. Management & Admin savings will be achieved through vacancy management and minor restructuring of roles.	
Other cross-cutting efficiencies not covered above		
Corporate services	785,000	785,000
	Strategy: 1. Further reduction in external audit fees. 2. Savings in supplies and services. 3. Substantial Management & Admin savings across a range of corporate services.	
	Key actions: 1. Internal Audit continue to plan-in more preparatory audits on systems and grant claims, etc. to reduce external audit costs. 2. The commercial waste and recycling contract will be reviewed alongside use of printers across services. 3. Management & Admin savings will be achieved through rationalisation of the management of a small number of teams.	
Procurement - goods and services	308,000	308,000
	Strategy: 1. Full roll-out of Neutral Vendor contract to all service areas together with in-house admin agency (Admin All Areas). 2. Reduction in telecommunication costs.	

Appendix 2 – Annual Efficiency Statement – Forward Look 2007/08

Service	Expected annual efficiency gains (£)	...of which cashable (£)
	Key actions: 1. Monitoring arrangements for the Neutral Vendor contract are now in place and will be reported quarterly. 2. Reduction in telecommunication costs has been achieved through retendering of contract including data lines, mobile phones, etc.	
Procurement - construction	0	0
	Strategy: 1. There are no additional savings but partnering arrangements are continuing with designated contractors and are planned to deliver at least the same level of efficiencies as in 2006-07.	
	Key actions:	
Productive time	85,000	85,000
	Strategy: 1. Process and related staffing efficiencies resulting from implementation of a new corporate Financial Information System.	
	Key actions: 1. The new Financial Information System will enable easier and enable more direct access to information for non-financial managers and require less support within the finance team. 2. Associated development of e-document, e-forms, and e-invoicing will improve productivity.	
Transactions	233,000	233,000
	Strategy: 1. Improving recovery of court costs for Council Tax cases. 2. Increasing HB subsidy through improved recovery of overpayments. 3. 1% Increased collection rate for PCN's.	
	Key actions: 1. Council Tax and Housing Benefit functions will be merged to improve sharing of information, utilise debt recovery skills across the service and improve collection, arrears and overpayment recovery. 2. Parking services will undertake a Business Process Review and identify training needs to improve recovery skills and practices.	
Miscellaneous efficiencies	100,000	100,000
	Strategy: 1. Energy efficiency savings through introduction of Carbon Management Programme. 2. Sale of non-performing assets and asset rationalisation to generate capital receipts (converted here into annual revenue equivalent profiled by timing of expected sale).	
	Key actions: 1. Implementation of various actions contained in Carbon Management Programme. 2. Disposals are determined according to VFM factors set out in the Asset Management Plan or in accordance with service rationalisation and accommodation strategies.	
Totals	6,848,000	6,401,000
Targets	5,596,850	2,798,425 (1.25% Cashable and 1.25% Non-Cashable)
Target exceeded by:	1,251,150	3,602,575
Target exceeded by %:	22%	129%

Key Actions and Priorities for Improving Use of Resources

Use of Resources Component	2006/07 Key Actions	2007/08 Planned Actions
a) Financial reporting	<ul style="list-style-type: none"> • First "Annual Report and Summary of Accounts" published in line with best practice. 	<ul style="list-style-type: none"> • Development of "interim quarterly accounts" • Improvements to balance sheet management in response to CIPFA's best practice guide
b) Financial management	<ul style="list-style-type: none"> • Use of the CIPFA Financial Management Module as a diagnostic tool for improving financial management as well as all aspects of the Council's Use of Resources • Delivered targeted training for senior officers and DMT's on business case and options appraisal methodologies including use of new corporate methodology for defining benefits from projects • Full implementation of Authority Financials and Authority Purchasing systems • Revised Asset Management Plan and Corporate Property Strategy approved 	<ul style="list-style-type: none"> • Post implementation review of the implementation of the new corporate Financial Information System – this will lead to an action plan for further improvements • Implementation of action plan arising from the CIPFA Financial Management Module survey results • Introduction of improved financial and procurement management information through development of reporting functions within Authority Financials and Authority Purchasing systems • Development of a revised suite of training facilities for non-financial managers

Use of Resources Component	2006/07 Key Actions	2007/08 Planned Actions
<p>c) Financial Standing</p>	<ul style="list-style-type: none"> • Implementation of action plan developed by corporate debt recovery group including: <ul style="list-style-type: none"> - development of Corporate Debt Collection and Recovery Policy; - Merger of collection teams; - Development of standardized age-profiled reporting of outstanding debts 	<ul style="list-style-type: none"> • Review of arrangements for planning and project management of major contract renewals • Training and support for new Finance Sub Committee which will consider areas such as value for money, treasury management and financial performance • Major review of Targeted Budget Management reporting framework • Annual review of levels of reserves and balances undertaken as part of the budget setting process • Updates to Annual Investment Strategy and Treasury Management Policy Statement • Continued implementation of Debt Management Group action plan including review of write-off of debt
<p>d) Internal Control</p>	<ul style="list-style-type: none"> • Further training of members in risk management provided • Code of Conduct for Officers revised 	<ul style="list-style-type: none"> • Continue to action the requirement of the DfES Financial Management Model in schools (FMSiS). Support and awareness training on the

Use of Resources Component	2006/07 Key Actions	2007/08 Planned Actions
	<p>in accordance with the expected National Code (deferred from 2004/05 since National Code not produced).</p> <ul style="list-style-type: none"> • A proactive anti-fraud and corruption campaign, "Stamping out Fraud", is in progress with the final phase is due to be implemented in 2007 • Section 31 Agreements have been signed-off by the partners of the newly created Children & Young People's Trust. • Revised Section 31 Agreements have been developed for Learning Disability Services and Mental Health Services to reflect changes in the structure of provision of integrated health and social care services. • Payroll system controls have been improved so that payments cannot be made to employees without national insurance numbers. • Cross-cutting reviews of procurement of telecommunications; 	<p>requirements and self-assessment by secondary and primary schools, external assessment and providing assurance for certification by the S151 officer.</p> <ul style="list-style-type: none"> • Implement requirements of the revised CIPFA/SOLACE Corporate Governance Framework including updating Local Code of Corporate Governance and development new Annual Governance Statement which replaces the Statement of Internal Control (SIC).
e) Value for Money		<ul style="list-style-type: none"> • Development of a value for money improvement programme

Appendix 3

Use of Resources Component	2006/07 Key Actions	2007/08 Planned Actions
	<p>photocopiers; translation services; external printing and schools' internet access have been completed and have been implemented or are at implementation stage.</p>	<ul style="list-style-type: none"> Engagement of expert advisers to assist the Council in building internal capacity to support ongoing value for money reviews