

**To:** Finance and Resources Policy Board

**On:** 24 August 2016

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**Report by:** Director of Finance and Resources

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**Heading: ANNUAL EFFICIENCY STATEMENT 2015/16**

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**1. Summary**

- 1.1. Scottish Councils have agreed to publish an Annual Efficiency Statement which reports the council's efficiency projects and activities, and seeks to quantify the level of efficiencies achieved. The attached template identifies the efficiencies achieved in 2015/16.
- 1.2. Efficiencies should comply with the definition adopted by the Scottish Government. The Statement will be published on the Council website.

**2. Recommendations**

- 2.1 The Board is asked to approve the Annual Efficiency Statement.
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**3. Background**

- 3.1 Renfrewshire Council has a strong record of achieving and reporting efficiencies, as evidenced by the annual Efficiency Statements published by the Council over the past number of years.
- 3.2 The format of the template for the Efficiency Statement remains unchanged from previous years, with the template summarising efficiencies achieved.
- 3.3 The Scottish Government definition of an efficiency is "where a body manages to deliver services or functions that can be shown to result in a broadly similar (or improved) level of outcome for a lower unit input than previously, an efficiency saving has been made". The efficiencies outlined in the Council's statement have been considered in light of the above definition.

- 3.4 The 2015/16 Statement highlights that efficiencies totalling £5.665m were achieved by the Council (no efficiencies were declared by the Renfrewshire Valuation Joint Board which the Statement also covers). These efficiencies have been analysed as:

Workstream	Saving
Procurement	£0.300million
Shared Services	£0.456million
Asset Management	£0.385million
Other Efficiencies	£4.524million
<b>Total</b>	<b>£5.665million</b>

- 3.5 A range of performance information is available to demonstrate that the efficiencies generated have not impacted detrimentally on performance, and these are outlined in the Statement. In addition to indicators such as those monitored in both service and corporate scorecards, the audit activity undertaken by independent scrutiny bodies such as Audit Scotland as part of the Council's strategic risk assessment has resulted in a Local Scrutiny Plan which details no significant risks in terms of service delivery.

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## Implications of the Report

1. **Financial** - This statement will provide a local and national audience with information regarding the council's efficiency programme.
2. **HR & Organisational Development** - None
3. **Community Planning** – None
4. **Legal** – None
5. **Property/Assets** – The statement highlights the total efficiencies attributable to improved asset management
6. **Information Technology** - None
7. **Equality & Human Rights** - The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required, following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** - None

9. **Procurement** - The statement highlights the total efficiencies attributable to improved procurement practice.
10. **Risk** - None
11. **Privacy Impact** - None

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## CONFIRMATION OF EFFICIENCIES DELIVERED IN 2015-16

<b>1</b>	<b>Local Authority Name</b>	Renfrewshire Council and Renfrewshire Valuation Joint Board
<b>2</b>	<b>Total cash efficiency achieved for 2015-16</b>	£5.665 million (of which £0 relates to Renfrewshire Valuation Joint Board)
<b>3</b>	<p><b>Summary of efficiency activity e.g.</b></p> <p>The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</p> <p>The main information that the local authority uses to assess productivity, service quality and performance and how the scope, usefulness or reliability has been improved during the year.</p>	<p>Renfrewshire Council has a strong commitment to efficient government. The Corporate Management team (CMT) provides a strategic overview of savings workstreams, with progress on agreed savings regularly reported to elected members. Workstreams progressed in 2015/16 include:</p> <ul style="list-style-type: none"> <li>• Reshaping service provision in a number of areas such as Facilities Management, Catering/Cleaning and the Corporate Support model to ensure continual efficient operation</li> <li>• Continual review of management structures</li> <li>• Improved use of information technology, and ongoing business process improvements.</li> <li>• Proactive absence management and effective workforce planning to ensure the Council has a skilled and experienced workforce appropriate in both size and shape.</li> </ul> <p>Renfrewshire Council was the first in Scotland to achieve “superior performance” in terms of its procurement practices and procedures; and this has been important in achieving sustainable efficiencies.</p> <p>The Statutory Performance Indicators Direction also includes the Local Government Benchmarking Framework (LGBF), for our 2015/16 performance. Returns are now submitted and reported to the Improvement Service over a phased timeline. Consequently not all of the data is available at the time of writing.</p> <p>For those pre audited indicators that have targets, we have met or exceeded these targets for 64% of the indicators. Although not directly comparable to last year, the figure for achieving target in 2014/15 was 49%. Of the same indicators, 60% of those have improved their performance for 2015/16 when compared</p>

	Specific steps the local authority has taken during the year to improve collaboration and joint working to deliver efficient and user-focussed services and the improvements achieved.	<p>to the previous year.</p> <p>To ensure the reliability of the indicators a standardised verification procedure is in place and an audit exercise is completed on a sample of PIs, which is conducted by our Internal Audit Team. The audit team will assess if adequate systems are in place to collate, review, monitor and report the selected PIs that the data is accurate and appropriate action is taken on any adverse results.</p> <p>Renfrewshire Council actively participates in shared service arrangements eg we have contracted a third party supplier to build a shared residual waste treatment solution which will service Renfrewshire along with North Lanarkshire, East Dunbartonshire, East Renfrewshire and North Ayrshire Councils. In addition we continue to progress major collaborative infrastructure investment opportunities through the Glasgow and Clyde Valley City Deal.</p>
4	<b>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management</b> (only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.	Procurement = £0.300 million
		Shared Services = £0.456 million
		Asset Management = £0.385 million
5	<b>Evidence:</b> What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	<p>Statutory Performance Indicators, for each service's improvement plan and the CMT Quarterly Scorecard.</p> <p>Audit activity undertaken by Audit Scotland and other scrutiny organisations as part of the council's shared risk assessment has resulted in the Local Scrutiny Plan, which highlights no significant risks.</p>

Signed ..... **Chief Executive**

Date .....