REPORT TO CABINET

REPORT OF: DIRECTOR OF FINANCE AND STRATEGIC RESOURCES

REPORT NO: FIN234

DATE: 11TH APRIL 2005

TITLE:	**ANNUAL EFFICIENCY STATEMENT - 2005/2006**
FORWARD PLAN ITEM:	
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	**DECISION FOR LEADER, CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

CORPORATE PRIORITY:	**EFFICIENCY SAVINGS**

ANNUAL EFFICIENCY STATEMENT 2005/2006

INTRODUCTION

1.   The Cabinet has been made aware of the requirement to produce an Annual Efficiency Statement. In 2005/06 this is a forward looking statement is due to be submitted by 15th April 2005. The Annual Efficiency Statement (AES) must be endorsed by the Leader, Chief Executive and Chief Finance Officer.

RECOMMENDATION

a)   That the Leader, Chief Executive and Chief Finance Officer be delegated to endorse the Annual Efficiency Statement for 2005/06.

b)   That the Cabinet consider any amendments to the draft AES attached under Appendix B.

CALCULATION OF SAVINGS TARGETS

2.   The calculation of required Gershon efficiency savings has been completed using the guidance from ODPM. It is based upon the baseline for 2004/05 as recorded in the Revenue Estimates and Capital Returns submitted to the ODPM in relation to that year. The calculation is shown at Appendix A. Overall, the Council's target is £505,000 for each of the years 2006/07, 2007/08, and with a 50:50 split for cashable : non-cashable means £252,500 is the relevant individual target for these elements.

PURPOSE OF ANNUAL EFFICIENCY STATEMENT

3.   The annual statement enables a brief overview of the key strategies and actions that will be undertaken to deliver the savings. The savings for 2005/06 have been allocated across the main cross-cutting areas of activity. In 2006/07 onwards it is expected that individual service areas will be identified for delivery service efficiencies.

4.   The draft AES is attached for consideration. An action plan will then be drawn up to:

a)   break down the targets into the required work streams.
b)   allocate the targets to services where appropriate.