

## APPENDIX A

### CALCULATION FOR THE BASELINE 2004/05

#### USING TECHNICAL NOTE GUIDANCE FROM OPDM

<u>COUNCIL</u>	South Kesteven
Total Service Expenditure	(£,000) 13,144
Passenger Transport	(£,000) 0
Waste Authority	(£,000) 0
Schools	(£,000) 0
Fire Service	(£,000) 0
Police	(£,000) 0
Grants	(£,000) 0
 Capital Contribution	 7,050
 Total Spend	 20,194
 2005/06 efficiency target	 505
2006/07 efficiency target	(£,000) 1,010
2007/08 efficiency target	(£,000) 1,515

	Year on Year Improvement £	Total Improvement relative to 2004/05 £	Year on Year Cashable £	Total Cashable Improvement relative to 2004/05 £
2005/06	505,000	505,000	252,500	252,500
2006/07	505,000	1,010,000	252,500	505,000
2007/08	505,000	1,515,000	252,500	757,500

#### Corporate Service Theme

eg.	Internal Audit Contract 2004/05	£ 84,000
	New Award 2005/06 Annual	<u>49,000</u>
	Cashable per annum	35,000
	Through to 2007/08	105,000

Thus, 2005/06      Target reduces to £217,500  
 and 2007/08      Target reduces to £652,500

**DRAFT**

***ANNUAL EFFICIENCY STATEMENT***

***STRATEGY FOR ACHIEVING EFFICIENCY GAINS***

1. To review all areas of activity to highlight those where efficiency gains can be achieved in the short and medium term, 2005/06 to 2007/08.
2. To develop a longer term strategy to ensure efficiency savings continue to accrue past 2007/08.
3. To optimise the efficiency gains achieved in 2004/05 against future targets.
4. To develop partnerships with other local authorities and the Centre of Excellence to deliver further efficiency gains from collaboration of procurement of goods and services provision.
5. The corporate management team and cabinet to take a strategic approach in delivering the Gershon agenda across the Authority.

**KEY ACTIONS TO BE TAKEN DURING THE YEAR**

- 1.1 Targets incorporated within budget for 2005/06.
- 1.2 Formal Market Testing of identified services.
- 1.3 Introduction of a comprehensive monitoring system to capture savings
- 1.4 To allocate those targets to service areas
- 2.1 To complete Business Process Re-engineering of all services to ensure efficiency front & back office processes
- 3.1 To calculate those efficiency gains in 2004/05 as part of the final accounts closedown process
- 4.1 To bid for funds from Centre of Excellence
- 4.2 To promote shared services and joint working across Lincolnshire
- 4.3 To develop the shared working with South Holland District Council in provision of particular services
- 5.1 To appoint member and officer champions for procurement
- 5.2 To ensure good reporting mechanisms for efficiency savings
- 5.3 To train Senior Managers in the processes required

## Areas for Efficiency Savings (Applicable to Districts):

**Cashable      Non-Cashable**

- Culture & Sport
  - RA form (but advice appears limited)
  - Contract with Leisure Connection Ltd
  - IPS
- Environmental Services
  - Waste Management
  - Recycling
  - Street Cleansing
- Local Transport
  - Concessionary Travel
- LA Social Housing
  - RSL's
  - Own Stock (Capital/Revenue)
  - More planned than reactive maintenance
- Homelessness
  - RA Form

## Other Cross-Cutting Efficiencies not covered above:

• Corporate Services			
Business Process Re-engineering			£100,000
Support Services			
Shared Services/Contact Centre			
• Procurement			
Formal Market Testing			
Purchasing Champions	£100,000		£25,000
Contracts (Internal Audit)			
• Productive Time			
Flexible/Home Working			
Technology	£50,000		£100,000
Staff Absence Management			
• Transactions			
NDR/CTAX – Collection & Admin Costs	£50,000		£27,500
Manual → Electronic Processes			
• Miscellaneous Efficiencies	£52,500		
<b>TOTAL</b>	<b>£252,500</b>		<b>£252,500</b>