

# North Lanarkshire Council Report

## Finance and Resources Committee

approval  noting

Ref EK/KS

Date 28/08/19

## Annual Efficiency Statement 2018/19

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### Executive Summary

The purpose of this report is to advise committee of the submission of the Council's Annual Efficiency Statement for the year ended 31 March 2019 and summarise the savings for this period.

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### Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Note the submission of the Annual Efficiency Statement for 2018/19 to COSLA.

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### The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (21) Continue to identify and access opportunities to leverage additional resources to support our ambitions

## 1. Background

- 1.1 As in previous years, the Scottish Government expects every public body to deliver efficiency savings of at least 3% of General Revenue Grant and to report publicly on the actions undertaken and results achieved.
- 1.2 The definition of efficiency as provided by the Scottish Government states “Where a body manages to deliver services or functions that can be shown to result in a broadly similar (or improved) level of outcome or output for a lower unit input than previously, an efficiency saving has been made.”
- 1.3 Scotland’s local authorities are required to report on efficiencies made during the year by submitting an Annual Efficiency Statement (AES) to COSLA. For 2018/19 the due date for submission was 23 August 2019.

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## 2. Report

- 2.1 The AES was compiled following a Financial Solutions led exercise with the final report submitted to COSLA attached as Appendix 1.
- 2.2 The savings options approved as part of the Council’s 2018/19 Budget form the basis of the AES production. Each saving is assessed against the Scottish Government definition to establish which meet the criteria to be considered an efficiency for inclusion in the AES. These are then supplemented by other opportunities arising from various Service initiatives and actions that occurred throughout the year.
- 2.3 The efficiency target for 2018/19 of 3% of the General Revenue Funding, is equivalent to a target for North Lanarkshire Council of approximately £14.639m.
- 2.4 The Council has achieved efficiency savings of £16.327m in 2018/19. This is in comparison with £16.462m reported in the 2017/18 AES. In summary, the total efficiency savings claimed are as follows:

	<b>Cash Savings</b>
	<b>£’000</b>
Treasury Management Savings	6,924
Service Prioritisation	4,964
Asset Management	3,059
Procurement	394
Other	986
<b>Total</b>	<b>16,327</b>

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## 3. Equality and Diversity

- 3.1 **Fairer Scotland Duty**  
There are no specific impacts to note.
- 3.2 **Equality Impact Assessment**  
There are no specific impacts to note.
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#### **4. Implications**

##### **4.1 Financial Impact**

There is no financial impact resulting from this report.

##### **4.2 HR/Policy/Legislative Impact**

There are no HR/Policy/Legislative impacts resulting from this report.

##### **4.3 Environmental Impact**

There are no environmental impacts resulting from this report.

##### **4.4 Risk Impact**

There is no risk impact resulting from this report.

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#### **5. Measures of success**

- 5.1 Despite becoming increasingly difficult year on year, the Council have continued to meet the Scottish Government efficiency target of 3% of General Revenue Grant.

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#### **6. Supporting documents**

- 6.1 Appendix 1 Confirmation of Efficiencies Delivered in 2018-19



**Elaine Kemp**  
**Head of Financial Solutions**

## CONFIRMATION OF EFFICIENCIES DELIVERED IN 2018-19

1	<b>Local Authority Name</b>	North Lanarkshire Council
2	<b>Total cash efficiency achieved for 2018-19 £'000</b>	16,327 (3.35%)
3	<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</p>	<p>During the course of 2018/19 the Council's business plan was superseded by The Plan for North Lanarkshire as the strategic plan not just for the Council but also for partners, stakeholders and most importantly for each of the unique communities and the people who live, learn, work, invest and visit within North Lanarkshire.</p> <p>To deliver the shared ambition of inclusive growth and prosperity, work will be focused on 5 complementary priorities.</p> <ol style="list-style-type: none"> <li>1. Improve economic opportunities and outcomes</li> <li>2. Support all children and young people to realise their potential</li> <li>3. Improve the health and wellbeing of our communities</li> <li>4. Enhance participation capacity and empowerment across our communities</li> <li>5. Improve North Lanarkshire's resource base</li> </ol> <p>For 2018/19 the Council approved a total financial savings target of £20.017m.</p> <p>The Strategic Policy Framework has been developed to regularly monitor and evaluate the range of supporting strategies, policies and</p>

	<p>performance and how the scope, usefulness or reliability has been improved during the year.</p> <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>	<p>plans to ensure work is continually aligned to facilitate delivery of the shared ambition. The Strategic Performance Framework has been created at three levels to enable monitoring of the Programme of Work. Level 1 is a suite of 28 Health Check indicators that collectively provide the North Lanarkshire Context. Level 2 comprises a suite of indicators and information to enable assessment of progress towards improving the priorities and ambitions. Finally, Level 3 comprises performance indicators that allow the quality, efficiency and effectiveness of day to day operations to be assessed.</p> <p>The final Framework is the Strategic Self-Evaluation Framework which provides a regular schedule of self-evaluation which allows an assessment of the overall success of The Plan and supporting Programme of Work and facilitate a fully aligned approach to improvement.</p> <p>Community planning in the area is carried out by the North Lanarkshire Partnership (NLP) Board. In November 2018, the NLP Board supported the Council's approach to have one strategic plan for the area. The NLP Board agreed to adopt The Plan for North Lanarkshire at its March 2019 meeting. It brings together the Local Outcomes Improvement Plan (LOIP) and the council's business plan. The Plan for North Lanarkshire includes 25 ambition statements that are supported by a high-level programme of work. The detail to support delivery is being developed by the council, its partners, arm's-length external organisations and other relevant agencies.</p>
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<b>4</b>	<b>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000</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 = 394
		Shared Services = 0
		Asset Management = 3,059
<b>5</b>	<b>Evidence:</b> What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	The Council utilises reports from External Bodies, and other statutory returns (LGBF) to benchmark performance against other public sector bodies. Analysis of the performance indicators highlights no significant change in performance as a result of the efficiency savings for the current year.

**Signed .....** (Chief Executive or equivalent)

**Signed (if applicable).....** (Council Leader or equivalent)

**Date .....**