

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2018-19

1	Local Authority Name	Moray Council
2	Total cash efficiency achieved for 2018-19	£'000 6,095
3	<p>Summary of efficiency activity</p> <p><u>Procurement</u> Procurement savings are monitored closely and reported to committee. Cash savings and non-cash savings from local and national contracts totalling £2,005,000 are included.</p> <p><u>Asset Management and Energy Efficiency</u> The council has well-established procedures for disposing of surplus assets and generated capital receipts of £346,000 in 2018/19. There was a reduction in capital spend on digital services (servers, etc.) through operational efficiency of £47,000</p> <p>The council undertakes energy efficiency projects and has an Energy Strategy which aims for a year-on-year reduction in energy consumption. The impact of this strategy is reported annually and the savings included in the Efficiency Statement are based on the preliminary reports from the Energy section.</p> <p>Carbon emissions have been reduced, generating a saving in Carbon Reduction Commitment allowances of £46,000. In addition to this, energy efficiency measures at a variety of buildings generated cash savings of £108,000 and the introduction of LED street lighting achieved £132,000 of cash savings; this five year programme is now in its fifth and final year. Renewable Heat Incentive payments of £108,000 were received in 2018/19 as a result of introducing biomass heating systems. A further £5,000 efficiency arose from reductions in handling charges for electricity payments.</p> <p>In total, £793,000 efficiencies from asset management and energy efficiency are included in 2018/19.</p> <p><u>Service Transformation</u> The council's Digital Services programme is ongoing and increased use of the Council's website has been recorded with a massive shift on the technology being used to access the website with mobile being the preferred option. Areas of note being: over 80% of paid for primary school meals being paid online; 15% of all new P1s register online in the first year; a 17.5% reduction on the number of face to face contact meetings; and in January 2019 100% sports development bookings made online. Cash savings for these initiatives have not as yet been identified but once they have, and been ratified, will be included in future statements</p> <p>In total there were no savings recorded from service transformation in 2018/19 although progress in this area is ongoing.</p> <p><u>Uptake of services</u> Although there has been a small decrease in passengers using the Dial M bus service, there has been a decrease in associated operating costs resulting in an efficiency of £6,000. A 16% increase in the number of library visits and a marginal increase in costs saw an overall decrease in the unit cost per library visit and an efficiency gain for the library service in 2018/19 of £355,000. A decrease in cost per visit for sports and leisure facilities led to a £96,000 efficiency gain in 2018/19</p> <p>In total, £457,000 efficiencies from targeted uptake of services are included in 2018/19.</p>	

Improved Performance

Much of the improved performance as shown by Performance Indicators reported to service committees cannot be quantified, and as a consequence there will be areas of improved performance not captured by PIs. However, where there is information to quantify performance this has been included:

- There has been a reduction in the amount of residual waste put to landfill and a consequent reduction in landfill tax paid of £75,000
- There has been a slight decrease in housing benefit overpayment % due to Local Authority error (from 0.15% to 0.11%) - £7,000 efficiency
- An improvement in % in HRA rent arrears (reduced from 2.44% to 2.37%) – an efficiency of £13,000
- An increase in the percentage of waste recycled (57.30% to 57.40%) - £4,000 efficiency
- Improved performance of pool cars generated an efficiency of £42,000.
- Increase in square metres of building being cleaned and decrease in unit cost - £23,000
- A reduction in the number of registered births, deaths and marriages, but a larger reduction in costs resulting in reduced cost per registration - £10,000 efficiency
- The unit cost of the weighted caseload of administering benefits has reduced generating efficiencies of £148,000

In total, £321,000 efficiencies from improve performance are included for 2017/18.

Other

Other efficiencies arise from restructuring and a variety of service improvements:

- Service restructures - £359,000
- The introduction of e-invoicing and Direct Payments taken in house - £10,000
- Waste management Transport Efficiency - £5,000
- Transition to a Scottish Wide Area Network - £50,000
- Use of electronic contracts of employment - £2,000
- Revenues digital project - £12,000
- Revised charging methodology for photocopier usage - £39,000
- Improved customer engagement from CIVICA software contract - £20,000
- Centralised recruitment processes - £51,000
- Increased use of e-training - £95,000
- Additional income from new rental units - £18,000
- Reduction in borrowing costs from re-profiling of capital projects - £200,000
- Implementation of server virtualisation - £502,000
- Greater use of out-sourced domiciliary care - £1,092,000
- Estates rental review - £63,000

In total, £2,518,000 efficiencies from other service improvements are included in 2018/19.

Shared Services

The Council seeks opportunities to share services with other public sector bodies. Initiatives in this area include:

- Integrated management arrangements with the NHS for some Health and Social Care services and shared buildings where this enhances service delivery - this initiative is long-standing and pre-dates the current integration of health and social care;
- Shared service with the Passport Office;
- English as a Second Language – service delivered on behalf of Moray College;
- Scotland Wide Area Network (SWAN) – a collaborative programme delivering broadband services;

	<ul style="list-style-type: none"> • Lossiemouth High School through Hubco as part of a programme involving two other local authorities is on track for completion in 2020 • The Council's public analyst service is provided by Aberdeen City Council and part of the archivist service is provided by Aberdeen City Council. • The Council has entered into a joint partnership with Aberdeen City and Aberdeenshire Councils to develop an Energy-from-Waste plant • The Council is a member of Scotland Excel and benefits from national initiatives such as SEEMIS and My Job Scotland. 								
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5	<p>Evidence:</p> <p>A variety of measures are used to ensure that reported efficiencies are achieved without detriment to service delivery. These include statutory and local performance indicators, customer surveys and post-implementation project reviews.</p> <p>Asset Management and energy efficiency measures do not detract from service delivery and in the case of some energy efficiency measures enhance service delivery, by means of improved lighting levels for example. 13% of the total efficiency in 2018/19 arises from asset management and energy efficiency.</p> <p>33% of the efficiency arises from on-going improvements in procurement and contract management.</p> <p>The performance of all services across the council is reported to service committees and scrutinised by Audit and Scrutiny Committee. No reduction in service has been reported for any of the areas included in the Efficiency Statement for 2018/19. 5% of the efficiency arises from services delivered at less cost with service levels maintained or improved.</p> <p>None of the other efficiencies reported are considered to have resulted in detriment to service delivery.</p>								

Signed (Chief Executive or equivalent)

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

Date