

WYRE FOREST DISTRICT COUNCIL**CABINET**
21ST SEPTEMBER 2010**Comprehensive Spending Review 2007 –
Value for Money Efficiency Gains Achieved In 2009/10**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME	Stronger Communities
CORPORATE PLAN AIM:	A Well-Run and Responsive Council
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APPENDICES:	Appendix 1 - Efficiency Gains – CSR07 VfM Efficiency Gains Achieved in 2009/10

1. PURPOSE OF REPORT

- 1.1 To inform members of the actual total net value of ongoing cash releasing value for money gains for 2009/10 and further efficiency gains required under the Comprehensive Spending Review 2007 (CSR07).

2. RECOMMENDATION

The Cabinet is asked to **DECIDE** -:

- 2.1 The actual net value of ongoing cash releasing value for money gains of £3.026m achieved in 2009/10 (equivalent to 8% cash releasing efficiency savings) against an internal target of £1.289m be noted.
- 2.2 The CSR07 cash releasing efficiency saving of 4% or £2.176m has been exceeded one year early be noted.
- 2.3 The increased efficiency target for English Councils from 3% to 4% for 2010/11 be noted.

3. BACKGROUND

- 3.1 Councils have a long track record of enhancing value for money in public services, with excellent progress made in the Gershon 2004 Spending Review (SR04) period. During 2004/05 to 2007/08, the Council reported efficiency gains of £2.114 million.
- 3.2 Gershon SR04 has now been replaced with the 2007 Comprehensive Spending Review (CRS07) covering the period 2008/09 to 2010/11.

4. KEY ISSUES

- 4.1 CSR07 sets a target for all public services of achieving at least 3% net cash releasing value for money gains per annum over 2008/09 to 2010/11 when compared to the 2007-08 baseline expenditure for English Local Authorities. Individual councils no longer have an individual efficiency target, although achievement will be monitored by a single measure in the National Indicator Set.
- 4.2 The Government announced in the 2009 Budget that Councils will deliver increased efficiency gains in 2010/11 as part of their contribution to the increased efficiency target for the public sector as a whole. The efficiency target has been increased by one percentage point to be added to the total savings target in 2010/11, taking it to at least 4%.
- 4.3 Based on the 2007-08 baseline expenditure for the Council, a voluntary internal target has been set. In 2008/09 and 2009/10 this will be £634,000 per year, in 2010/2011 this has been revised to £845,100, a total compounded target of £2.176 million.
- 4.4 Councils will be required to submit a figure for the value for money indicator twice in each calendar year. Councils will forecast their position in October and will report the actual position as at the end of the financial year in June.
- 4.5 To recognise the success of councils in making gains to date, the value of any cash-releasing efficiencies reported by councils in the SR04 period that are over and above the 7.5% target set, will be eligible to be counted towards the CSR07 target in so far as they remain on-going. These gains are set out in Appendix 1.
- 4.6 Efficiency gains of £3,025,865 have been achieved against the internal target for 2009/10 of £1,288,700. This exceeds the internal target by £1,737,165. These gains are set out in Appendix 1.
- 4.7 The efficiency gain of £3.026m identified in 2009/10 has meant that the council has exceeded the CSR07 cash releasing efficiency saving of 4% (£2.176m) one year early.

5. FINANCIAL IMPLICATIONS

- 5.1 Efficiency gains are intended to be available for improvement to front-line services. They will also help to deliver low council tax rises. The cash releasing value for money gains have been included in the Budget 2010/2013.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 Although there is no statutory requirement to achieve these efficiencies there are implications for underperformance. In cases where underperformance is not addressed quickly and effectively at a local level, Government Office will work closely with government departments, inspectorate and other bodies to agree appropriate action. This may include further capacity building support, or tougher intervention action, ranging from improvement notices to directive action or removal of functions from an authority in very exceptional circumstances.

7. RISK MANAGEMENT

- 7.1 The potential impact of not meeting Government requirements for efficiency and improvement already feature in our Corporate Risk Register for key risks. If the Council were unable to fulfil the annual cash releasing value for money gains, this would have a negative impact on the Council's reputation amongst its residents and other key stakeholders.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 This is a financial report and there is no requirement to undertake an Equality Impact Assessment.

9. CONCLUSION

- 9.1 The Council has achieved its internal target based on CSR07.

10. CONSULTEES

- 10.1 Leader of the Council/Corporate Management Team

11. BACKGROUND PAPERS

Measuring and reporting Value for Money Gains – July 2009
Announcement of Efficiencies – CLG – May 2009