

ANNUAL EFFICIENCY STATEMENT

The Gershon review has set local government an efficiency target of achieving efficiency gains of at least 2.5% p.a. on net revenue and capital expenditure for the three years from 2005-06 to 2007-08. Efficiency gains are changes that result in improved or increased outputs from the same or reduced inputs, and the maintenance of quality is an important factor.

The Office of the Deputy Prime Minister (ODPM) has set us a target of £230,000 per year over each of the next three years (i.e. £690,000 in 2007-08). We have already identified ongoing efficiency gains of £117,500 in 2004-05, and we have submitted a statement to the ODPM identifying a further £256,000 of efficiency gains in 2005-06.

In August 2004 we agreed a three-year financial plan, with the objectives of achieving a balanced budget in years two and three, limiting council tax increases to no more than 5% p.a., and directing resources from non-priority areas to release funds to invest on priority actions and services. We will be reviewing the plan in late Summer/early Autumn of 2005 and will take steps to ensure that we meet our efficiency targets.

We are committed to continuous performance review with the objective of providing better, more accessible, priority services with greater efficiency. We are already playing a lead role in developing front-line services through the Worcestershire Hub, and we are committed to exploring other shared service opportunities within the county during 2005-06.

Key Actions

1. We will focus on improving productive time by:
 - Reducing absenteeism through the introduction of a new sickness absence policy and procedure
 - Improving staff retention
 - Improving work practices and effective use of technology
 - Reviewing refuse collection rounds
2. We will review our corporate property to identify disposable non-productive assets.
3. We will continue with the development of the Worcestershire Hub, our shared service for the provision of frontline services in partnership with Worcestershire County Council and the other district councils in the county.
4. We will create opportunities for efficiency gains through other shared services within Worcestershire, with the initial focus being revenues and benefits, ICT services, waste management, and property services.
5. We will implement the following to realise cashable efficiency gains:
 - Procurement contracts via the OGC framework and other agencies, including the West Midlands Centre of Excellence, for: mobile phones, ICT hardware procurement, external printing, stationery and agency employees.
 - Investment in digital printing
 - Investment in refuse collection vehicles
 - Investment in e-procurement, e-payments, e-financials systems
 - Improved, more efficient corporate document management
 - Business process change
 - Skill sharing

6. We will review our existing performance and quality measures and benchmarking arrangements to assess their relevance to quantifying efficiency gains and introduce new measures where needed.
7. We will identify appropriate quality cross-checks in line with the recommendations of the Efficiency Measurement Task Force.
8. We will gain an understanding of non-cashable efficiency gains and the potential for capital efficiency gains following advice from the ODPM.
9. We will embed efficiency gains in our business planning process to ensure that targets are met and reviewed. Budget holders will review their areas of activity to identify and develop potential efficiency gains.