

Report to: Cabinet

Date: 2nd October 2008

Subject: Gershon Efficiency Agenda – National Indicator 179
(formerly reported via Annual Efficiency Statement)

Forward Look Estimate for 2008/09

Report of: Executive Director for Business Support Services

Contact officer: Simon Fillingham (01942 827 259) Ext. 2259

Purpose / summary: To report to Cabinet the updated forecasted Gershon efficiency gains for 2008/09

Alternative options considered and reason for selecting the one recommended: The Council is required to submit a return to the Communities and Local Government Department by 5pm on 17th October 2008. A failure to comply could reduce our CPA Use of Resources score

Recommendation / decision: To delegate to the Executive Director for Business Support Services, in consultation with the Leader and Chief Executive, the final submission of the return based on this report

Key Decision: This report does not involve a key decision. The decision made as a result of this report will be published within **48 hours** and cannot be actioned until **seven working days** have elapsed, i.e. before 9th October 2008

Risks / Implications:

Financial: The National Indicator 179 Forward Look Estimate for 2008/09 forecasts in-year efficiency savings of currently **£3.014m**. When added to the total efficiencies carried forward from previous years of **£3.166m**, the total value to be reported to DCLG for 2008/09 is **£6.180m**.

Staffing: Efficiency savings may result in reduced staffing levels as part of planned service and departmental changes

Policy: Statutory compliance and part of the

Equal Opportunities - Has a Diversity Impact Assessment been conducted?

continuing development of efficient and effective service delivery
The impact of any efficiencies will have been taken into account as part of the budget challenge process

Wards affected:

All

Property – Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?

No

Does this proposal have significant implications for the Council and the local population?

Yes

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

Has the Service Director – Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council’s Constitution? **Yes**

Has the Executive Director for Business Support Services confirmed that any expenditure referred to within this report is consistent with the Council’s budget? **Yes**

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **No**

For Cabinet reports only :

Categorisation of the report:	X		X
Discussion leading to a decision	X	Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	

Tracking/Process:

	Consultation	Ward Members	Partners
	Business Management Group: 23 rd September 2008		
Panel	Overview & Scrutiny	Cabinet	Council
		2 nd October 2008	

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer David Smith

Date 18th September 2008

1. Introduction

- 1.1 Members will recall that, during the Spending Review 2004 (SR04) period covering financial years 2004/05 through to 2007/08 inclusive, the Council was legally required to submit Annual Efficiency Statements (AES)'s to demonstrate compliance with efficiency targets set by the Government. Statements were both forward - and backward - looking, with an additional mid - year progress report.
- 1.2 All Councils were required to achieve annual efficiency savings under the Gershon requirement equivalent to 2.5% of the Council's baseline actual net expenditure in the baseline year 2004/05, as part of SR04.
- 1.3 At least 50% of these savings were required to be 'cashable' – capable of being released to improve local services or, if Councils decided, to reduce Council Tax. There was no explicit requirement to use efficiency savings to reduce net expenditure – the agenda was not about expenditure reductions or cuts in services.
- 1.4 A new performance framework was introduced through which Councils' national progress on efficiency which will be monitored and/or challenged during Comprehensive Spending Review 2007 (CSR07). The key elements of the updated and revised guidance applying to local authorities is discussed in Section 2 of this report, with a summary of the fundamental differences in approach compared to the former (SR04) arrangements (Table 1).
- 1.5 This report deals with the Forward-Look Estimate for 2008/09, which the Council is asked to submit to DCLG via National Indicator 179 by **5pm on 17th October 2008** (summary details are attached in Appendix 'A'). Some context to the Forward Look is provided in section 2. Section 3 provides some feedback on the 2007/08 Backward Look submitted to DCLG on 8th July, explaining the main differences compared to the 26th June report to Cabinet. Section 4 explains the basis of the calculation of the annual efficiency targets under CSR07. Section 5 summarises Appendix 'A' giving estimated efficiencies for 2008/09, whilst Section 6 summarises latest central government proposals for improving reporting of efficiencies, in particular with regard to local democracy.

2. Strategic Context of the Forward-Look (2008/09 to 2010/11)

- 2.1 Members may recall that, as part of CSR07 announced by the Chancellor covering the periods 2008/09 through to 2010/11, the whole public sector – including local government – is expected to achieve 3% p.a. efficiency gains over the next three years beginning in 2008/09, equating to £4.9billion net cash-releasing efficiencies by 2010/11.
- 2.2 All the 3% efficiency gains must be cash-releasing i.e. 'cashable' gains under the former definition, on-going gains capable of supporting the sustainability agenda promoted by Gershon, and be 'net' efficiencies i.e. excluding the costs required to achieve them.
- 2.3 On-going cash-releasing gains achieved in the SR04 period (2004/05 to 2007/08) in excess of 7.5% of a council's 2004/05 baseline net expenditure count towards the total efficiency target in the CSR07 period.
- 2.4 A Local Government Value for Money Delivery Plan, entitled '**Delivering Value for Money in Local Government: Meeting the Challenge of CSR07**' was published on the DCLG website (October 2007).

- 2.5 The revised guidance makes clear the key actions required to meet the efficiency challenge. In addition, it sets out reforms to the way in which the achievement of gains during CSR07 will be monitored and reported from 2008/09 onwards. Reforms have been put in place to increase devolution: individual councils will no longer have an efficiency target unless agreed as one of the Local Area Agreement (LAA) targets (formerly each council had the same 2.5% p.a. efficiency target), while achievement will be monitored by a single measure in the National Indicator Set – National Indicator 179. The only information required is **the total net value (£000's) of on-going cash-releasing value for money gains that have impacted since the start of the 2008/09 financial year**. This data will be collected twice in each financial year (forecast in October, and actuals in July – the requirement for a 'Mid-Year' Estimate has been 'dropped').
- 2.6 This information will be collected in order to assess the national and regional performance against the overall efficiency target. However, the remaining reporting requirements under SR04, i.e. the analysis of savings by service sector and the use of accompanying text to describe actions taken or information on service quality, have been 'dropped'.
- 2.7 Nevertheless, it will still be important to have in place appropriate processes to plan for value for money projects, track delivery, measure achievement and assure service quality is either maintained or enhanced.
- 2.8 The revised arrangements apply after the July 2008 Backward Look AES return, which was submitted to deadline on 8th July 2008; the former AES process and format has now been rescinded.
- 2.9 Given the reduced reporting requirements, the actual submission to the DCLG will be streamlined significantly; in particular, only the bottom-line total of net on-going cash-releasing efficiencies impacting in any financial year since the start of 2008/09 will be reported via NI 179.
- 2.10 Whilst the DCLG will not need to see the detail by service area, for internal monitoring and reporting, I propose to continue to report to Cabinet at a service area level. This will enable sufficient detail and performance monitoring to both drive the agenda forward in the Council and support a sufficiently rigorous audit trail. This report has therefore been produced and reported to Cabinet as if the AES format still applied.
- 2.11 There is no mandatory efficiency target for each individual council under CSR07, however, there is evidence that any potential or actual under-performance by individual councils will be investigated by the relevant government department. In the first instance, the guidance suggests poor performance on value for money – either through low figures for the performance indicator (NI 179) or poor Use of Resources scores – will be discussed with local councils through the local Government Office. In cases where under-performance is not addressed quickly and effectively at a local level, Government Offices will work closely with government departments, inspectorates 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 cases.
- 2.12 Table 1 summarises the key differences in approach under the SR04 and the CSR07 Gershon performance assessment frameworks.

Table 1 : Arrangements under SR04 versus CSR07

SR04 Arrangements	CSR07 Arrangements
Targets	
Collectively, councils expected to achieve 2.5% p.a. efficiency gains; at least half must be cash-releasing	Collectively, councils expected to achieve 3% p.a. cash-releasing efficiency gains
Collectively, by the end of 2007/08, councils expected to achieve 7.5% efficiency gains, equivalent to £3.0bn; at least half must be cash-releasing	Collectively, by the end of 2010/11, councils expected to achieve 9.3% cash-releasing efficiency gains, equivalent to £4.9bn
Non-cash-releasing gains count towards the total efficiency target	Non-cash-releasing gains remain an important way of improving value for money, but do not count towards the total efficiency target
On-going efficiencies achieved during 2004/05 count towards the total efficiency target	On-going cash-releasing gains achieved in SR04 in excess of 7.5% of a council's 2004/05 baseline count towards the total efficiency target
Each council has the same 2.5% p.a. efficiency target, of which at least half must be cash-releasing	Unless agreed as part of a LAA, councils do not have their own individual targets for efficiency gains
Reporting process	
Councils report on efficiency through the AES process three times for each financial year	Councils report on efficiency through a single indicator in the National Indicator Set twice for each financial year (forecast in October, actuals in July)
In each AES, councils report the value of efficiency gains (forecast or achieved) split by service sector and cross-cutting workstream rows, and identifying which are cash-releasing or expected to be on-going	Councils report only the value of total cash-releasing efficiency gains (forecast or achieved) with no split required
In each AES, councils report the actions to achieve efficiency gains (planned or taken) split by service sector and cross-cutting workstream rows, together with a cross-check to assure service quality	Councils plan and monitor the benefits realisation from their efficiency and improvement projects internally; no reporting on actions (planned or taken) is required

(Source: 'Delivering Value for Money in Local Government: Meeting the challenge of CSR07', DCLG, October 2007)

3. Feedback on the 2007/08 Backward Look AES

- 3.1 The provisional 2007/08 Backward Look Annual Efficiency Statement was submitted to Cabinet for approval on 26th June 2008; and subsequently submitted with amendments to the DCLG by the deadline of 5pm on 8th July.
- 3.2 The provisional 2007/08 efficiency savings reported to Cabinet totalled **£6.620m**, of which **£6.421m** were deemed to be cashable (97%). This compared to forecasted efficiencies previously reported totalling £5.990m for 2007/08, as reported to Cabinet in the Mid-Year Estimate on 15th November 2007.
- 3.3 The final submitted figures to the DCLG were total efficiency savings of **£7.577m** for 2007/08, of which **£7.378m** (97%) were deemed cashable efficiencies. The

main differences between the figures reported to Cabinet and the final submission are as follows:

- Favourable revisions to the provisional figures to capture the difference between using the Wigan Council corporate inflation factors (as included in figures in 3.2) and the GDP Deflator as per the DCLG of 3.25%. This has increased the eligible savings by £290k (cashable), particularly impacting on estimated pay-related savings;
 - In the draft, £194k was accrued in the column 'For Further Validation' in respect of the Transport DSO re-structure. This was replaced and the submitted, validated efficiency saving of £75k was added (cashable);
 - Social Housing (Revenue) – staffing cost savings of £433k (cashable) added, advised after report to Cabinet;
 - Passenger Transport Authority (GMPTE) savings added of £159k (cashable), advised after Cabinet report.
- 3.4 £413k (£323k cashable) efficiencies relating to previous financial years were removed from the overall claim in SR04 in relation to the Supporting People (SP) Programme. These efficiencies were deemed, in retrospect, to be potentially ineligible, given that the savings arising from below-inflation awards of grant-funding to Voluntary Sector bodies, was specifically contrary to a key Gershon principle (savings must not be made at the expense of VCS organisations).
- 3.5 The requirement on the Council in SR04 was to achieve total efficiency gains of **£21.9765m**, of which 50% had to be cashable over the three-year period ending in 2007/08. At the 2007/08 out-turn efficiency savings into the total from previous years, and removing prior-year savings from the SP programme (3.4), total efficiency savings of **£27.336m** have been achieved in SR04, exceeding the total efficiency target. Of the total efficiency gains made in the SR04 period, **£25.142m (92%)** are classified as cashable efficiencies, exceeding the 50% 'cashable' efficiency target.
- 3.6 On-going cash-releasing gains achieved in the SR04 period in excess of 7.5% of a council's 2004/05 baseline net expenditure count towards the total efficiency target in the CSR07 period (in accordance with paragraph 2.3). The ability of the Council to 'carry-forward' these extra efficiencies into the next period, to count against the target in CSR07, is unconfirmed as yet by DCLG. However, assuming this applies, then the total to 'carry-forward' would appear to be the excess of total on-going cashable efficiencies to the end of 2007/08 (£25.142m) (3.6) above the total target efficiencies (£21.9765m) (3.5) - **£3.166m** approximately.

4. **CSR07 : Required Efficiencies from 2008/09 to 2010/11**

An exercise has been carried out to determine the level of annual efficiency savings required under the CSR07 arrangements. Under this appraisal, the basis of calculation of the annual efficiency target of 3% is as per the revised guidance from DCLG. In line with the reduced reporting requirements emanating from DCLG, it has been indicated by them that it is their intention to let councils determine for themselves the level of their 2007/08 baseline, accordingly no specific annual or cumulative target has been set for each individual authority.

Like the rest of the public sector, councils are expected to achieve at least 3% p.a. net cash-releasing VfM gains. However, whereas in SR04 the 2.5% p.a. public sector target was additional (i.e. 2.5%, 5%, 7.5%), under CSR07 the target is **multiplicative** (i.e. 3%, 6.1%, 9.3%). This means that, whereas under SR04 the

yearly target was the same, under CSR07 it will vary between years. Using the council's 2007/08 baseline net estimated expenditure, the following trajectory of required VfM gains has been calculated (Table 2).

Table 2 : CSR07 Annual Efficiency Target 2008/09 – 2010/11

EXPENDITURE	CSR07 BASELINE : Estimate 2007/08 £000's
General Fund Accounts	
TOTAL NET SERVICE EXPENDITURE	432,354
PLUS Passenger Transport Authority (PTA) Levy	18,278
LESS Schools (Nursery, Primary, Secondary & Special)	-201,587
LESS Specific Grants (Learning and Skills Council Grant for Adult Educ'n)	-4,257
TOTAL NET SERVICE EXPENDITURE (REVENUE) ¹	244,788
CAPITAL EXPENDITURE	
Total Forecasted Capital Expenditure	107,530
LESS Total Capital Receipts	-31,321
LESS Schools (Nursery, Primary, Secondary & Special)	-30,877
TOTAL NET EXPENDITURE (CAPITAL) ²	45,332
2007/08 BASELINE EXPENDITURE	290,120
2008/09 EFFICIENCY TARGET @ 3% of 2007/08 Baseline	8,704
2009/10 EFFICIENCY TARGET @ 3.1% of 2007/08 Baseline	8,994
2010/11 EFFICIENCY TARGET @ 3.2% of 2007/08 Baseline	9,284
CUMULATIVE TARGET @ 9.3% of 2007/08 Baseline	26,982

Note : As per DCLG RA Form (Revenue Account Estimates) 2007/08 ¹
As per DCLG CER Form (Capital Estimates Return) 2007/08 ²

The total savings required under the revised arrangements under CSR07 of **£26.982m** exceed the savings required under SR04 of £21.9765m p.a. (7.5% of 2004/05 out-turn net expenditure totalling £293.020m). In addition, all the gains must be *net, cash-releasing, and on-going* efficiencies applying *only from 2008/09 onwards*.

It should be stressed that councils are not required to reduce their expenditure by 9.3% over the years to 2010/11. There is no one-to-one relationship between VfM gains and expenditure, because efficiencies will sometimes be re-directed to front-line services and sometimes used to hold down Council Tax, as explained by the guidance from DCLG.

5. The Proposed 2008/09 Forward-Look Statement

- 5.1 The proposed 2008/09 Forward-Look statement is shown in summary form in Appendix 'A'. As in previous years, the figures shown have been subjected to rigorous analysis by members of the Corporate Delivery Team (CDT) and is replacement Business Management Group as well as coming under scrutiny by the Finance Division in order to ensure the savings are legitimate and appropriately classified and calculated.

5.2 The draft provisional 2008/09 Forward-Look currently shows total forecasted efficiency savings in 2008/09 of **£3.014m**. These savings meet the key criteria as specified in the guidance of being: 'net' of the costs required to achieve them; 'on-going' (sustainable); 'cash-releasing' (cashable gains under the 'old' arrangements); and savings from the start of the 2008/09 financial year only.

5.3 When added to the carry-forward identified of £3.166m (3.8), the proposed value of NI 179 to be reported by 17th October 2008 is **£6.180m** for 2008/09. This is currently below the identified annual efficiency target for 2008/09 of £8.704m (Table 2).

6. **Government Consultation on Incorporating Efficiencies into Council Tax Bills (September 2008)**

6.1 On 3rd September, the Minister for Local Government launched consultation on giving the public greater access to information on how efficiently their council was being run, proposing to create a mandatory requirement for all councils to include **with their council tax bills** the efficiency savings made. Key efficiency figures to be reported on Council Tax bills would, under the proposal, possible indicators include:

- The savings expected to have been made in the previous financial year;
- The projected savings expressed as the equivalent saving on Band D council tax bills;
- The savings as a percentage of total expenditure
- The average projected savings by similar types of councils, in the same time period; and,
- The actual savings made in the financial year two years before the bill.

There is an option is either to put such information in an accompanying leaflet or on the face of the bill itself. Further options would be to include this for Fire and Police authorities as well. Putting the information on the face of the bill looks difficult unless other important information on payment details is dropped.

6.2 The aim of the proposed changes being to put council tax payers 'at the heart' of the efficiency agenda under CSR07. The Government believes the proposals could give tax-payers the information required to challenge their council and hold them to account if they performed inadequately. The Government has indicated that the proposals in the consultation paper would be "fully and properly funded by central government to ensure that there is no net additional cost for local authorities." We have been involved in early discussions with central government of the likely initial set up cost, annual billing and daily billing costs. We will report further at the meeting.

6.3 I will update Cabinet on how the proposals develop as appropriate and, where necessary, put in place procedures to ensure the required information is captured on Council Tax bills for the next budget cycle. The deadline for comment is 16th October 2008.

7. **Conclusions**

7.1 The report is brought to Cabinet for information and for additional comments on the strategy and key actions stated.

7.2 The statement must be formally approved by the Leader, Chief Executive and Executive Director for Business Support Services, and such approval evidenced.

7.3 The Forward-Look Statement must be submitted by 5pm on 17th October 2008 via National Indicator 179. Colleagues have been asked to ensure that the savings submitted are supported by factual evidence and that the comments on strategy and key actions properly reflect their views. It may, therefore, be necessary to make changes to the submission before 17th October. Whilst I do not expect these to be material I will update the Cabinet of any changes of significance.

8. Recommendation

8.1 The Cabinet is asked to approve the proposed statement and authorise the Executive Director for Business Support Services to make any final amendments, reporting these to the Leader and Chief Executive.

8.2 That the Executive Director of Business Support Services responds to the consultation paper on inclusion of efficiency information with Council Tax Demand notices indicating that:-

- Our preference is for a separate leaflet rather than inclusion on the face of the bill
- This will allow the inclusion of more information on savings trends, the Band D equivalent figure and the % of total spend in savings
- Any accompanying text needs to clear that council tax raises only part of the money needed to pay for services, and that efficiencies cannot all be put towards reducing council tax bills
- Efficiency data on all precepting and levying bodies should be included
- Whilst welcoming the Government promise on costs – this should include initial set up costs, annual and daily billing costs of providing any additional information.

APPENDIX 'A'

	TOTAL Baseline Efficiency Target in SR04 Period 2004/05 - 2007/08 (7.5%, 2.5% p.a.)	TOTAL Efficiencies Actually Achieved in SR04 Period 2004/05 - 2007/08	.. Of which 'cashable' / cash- releasing	Forecast 2008/09 Cash-Releasing Efficiency Gains	For Further Validation	For Further Discussion	Comments
	£000	£000	£000	£000	£000	£000	
	A	B	C	D	E	F	
Adult Social Services	4,498.50	2,768	1,882				
Sub Total	4,498.50	2,768	1,882	0	0	0	
Children's Services	1,929.68	1,274	835				
Re-negotiated prices for LAC placements				127			Improved commissioning and contract negotiation
2008/09 Service Efficiencies (Budget Process)				165			Eligible 2008/09 Budget Reductions
Connexions - Delivery of September Guarantee within existing resources				104			Delivery of new government regulations, the September guarantee, within existing resources - an eligible gain as per principle a2 of the Gershon DCLG Guidance, 4.6 - "If there are additional burdens on local authorities (e.g. increased regulation) and authorities take actions to improve VfM by staying within their budgets, then these actions can be included in NI 179 in the normal way".
Sub Total	1,929.68	1,274	835	396	0	0	
Culture & Sport	1,248.53	785	512				
Active Life Pay Costs (Reduction through new pay structure)				160			
Reduction in Banking Charges (through re-negotiation)				2			
Senior Management Re-Structure				48			
Procurement Savings (through re-negotiation of contracts)				12			Food & Stationery
Workforce Re-structure at Haigh				45			Principally in catering, full year effect - £62k
Reduction in Finance Staffing				9			
Sub Total	1,248.53	785	512	276	0	0	
Environmental Services & Waste	1,527.15	2,465	2,212				
Environmental Services Contact Centre				31			Dis-establishment of posts relating to mail-handling and reception functions and re-allocation of resources into Contact Centre to fund new generic customer services posts
Housing Strategy Services Re-Structure				89			
Private Sector Housing Staffing Savings				67			On-going cash-releasing gains from salaries following efficiency and organisational improvements to the Environmental Health & Trading Standards business inspections processes, implemented with effect from 1st April 2008
Regulation and Protection Divisional Re-Structure				51			
Sub Total	1,527.15	2,465	2,212	238	0	0	
Local Transport (Highways)	842.18	1,326	1,250				
Highways Maintenance Re-Structure				101			Review of highways structure, resulting in more efficient service delivery with fewer staff resources - re-allocation of existing resources to create Neighbourhoods Team providing efficiencies in delivery through joined-up service provision in localities
Sub Total	842.18	1,326	1,250	101	0	0	

APPENDIX 'A'

	TOTAL Baseline Efficiency Target in SR04 Period 2004/05 - 2007/08 (7.5%, 2.5% p.a.)	TOTAL Efficiencies Actually Achieved in SR04 Period 2004/05 - 2007/08	.. Of which 'cashable' / cash- releasing	Forecast 2008/09 Cash-Releasing Efficiency Gains	For Further Validation	For Further Discussion	Comments
	£000	£000	£000	£000	£000	£000	
	A	B	C	D	E	F	
PTA Local Transport, (Non Highways)	1,788.64	589	589				
Sub Total	1,788.64	589	589	0	0	0	
Wigan and Leigh Housing Arms Length Management Organisation (ALMO)							
Sub Total	0	0	0	0	0	0	
Social Housing (Capital)	183.30	12,268	12,268	440			Reflecting negotiation of reduced inflation uplift with contractors in Planned Maintenance, Kitchens, Environmental & Security. Providing the same level of service after withstanding the impact of inflation and the allowed inflation uplift from the BCIS 'All-in-One' Tender Price Index (TPI) allowed increase of 5% (May 2008). The actual costs achieved are currently forecasted to be held below this therefore generating an allowable cash-releasing efficiency saving - providing the same level of service for reduced cost inputs, which is currently forecasted to be on-going.
Sub Total	183.30	12,268	12,268	440	0	0	
Social Housing (Revenue) LA Social Housing (Other)		433	433	251			Reflecting negotiation of reduced inflation uplift with contractors for Responsive Repairs. Providing the same level of service after withstanding the impact of inflation and the allowed inflation uplift from the BCIS 'All-in-One' Tender Price Index (TPI) allowed increase of 2.9% (May 2008). The actual costs achieved are currently forecasted to be held below this therefore generating an allowable cash-releasing efficiency saving - providing the same level of service for reduced cost inputs, which is currently forecasted to be on-going.
Sub Total	0	433	433	251	0	0	
Non School Educational Services	1,539.53	462	359				
Home-to-School Transport				10			7/12ths of annual saving in respect of new transport arrangements for secondary EBSD pupils
Sub Total	1,539.53	462	359	10	0	0	
Supporting People	602.70						
Savings from awarding below-inflation increases to Private Companies/Individuals				8			Awarding 2.1% inflationary increases to private companies and individuals rather than the 3% allowed under the generic 3% GDP Deflator for 2008/09
Sub Total	602.70	0	0	8	0	0	
Homelessness	15.75						
Bed and Breakfast (Preventative Work)				50			Projected savings from the use of bed-and-breakfast due to a greater emphasis on preventative work in 2008/09. Bed and breakfast expenditure was £60k in 2007/08 out-turn, with the improvements to process current likely projected spend is £10k for 2008/09
Sub Total	15.75	0	0	50	0	0	

APPENDIX 'A'

	TOTAL Baseline Efficiency Target in SR04 Period 2004/05 - 2007/08 (7.5%, 2.5% p.a.)	TOTAL Efficiencies Actually Achieved in SR04 Period 2004/05 - 2007/08	.. Of which 'cashable' / cash- releasing	Forecast 2008/09 Cash-Releasing Efficiency Gains	For Further Validation	For Further Discussion	Comments
	£000	£000	£000	£000	£000	£000	
	A	B	C	D	E	F	
Corporate Services							
<i>Chief Executive's</i>	1,442.01	2,769	2,747				
Vacation of Co-Ops Building				29			Savings in forecasted Office Accommodation costs
Print Review				24			
Sub Total	1,442.01	2,769	2,747	53	0	0	
<i>Business Support Services (formerly Finance and IT) Department</i>							
Dis-establish temporary IT Posts				84			On-going cash-releasing savings from disestablishing permanent posts - savings in basic pay
Dis-establish vacant Accountancy Post				16			On-going cash-releasing savings from disestablishing permanent posts - savings in basic pay
Dis-establish IT Helpdesk Post				19			On-going cash-releasing savings from disestablishing permanent posts - savings in basic pay
Dis-establish Audit Manager Post				20			On-going cash-releasing savings from disestablishing permanent posts - savings in basic pay
Reduce payroll premises budget				22			
Dis-establish Finance Trainee post				19			On-going cash-releasing savings from disestablishing permanent posts - savings in basic pay
Benefits Business Efficiency Saving				56			
Support Services Review-related Business Efficiencies				955			Projected on-going efficiencies from the Business Support Services Review in 2008/09
Sub Total	0	0	0	1,191	0	0	
Procurement		456	456				
Sub Total	0	456	456	0	0	0	
Productive Time							
Sub Total	0	0	0	0	0	0	
Transactions		306	164				
Sub Total	0	306	164	0	0	0	
Misc. Efficiencies	89.40	1,435	1,435				
Sub Total	89.40	1,435	1,435	0	0	0	
Total Efficiencies - Revenue	15,707.37	27,336	25,142	3,014	0	0	
Capital Expenditure	6,269.13						
Total Efficiencies - Revenue and Capital	21,976.50	27,336	25,142	3,014	0	0	
Efficiency Carry-forward (paragraph 2.3 in main report refers)							
On-going net cash-releasing gains achieved in SR04 period (2004/05 to 2007/08) in excess of Wigan's Baseline net expenditure to be carried forward to CSR07 (2008/09 to 2010/11)							
EQUALS TOTAL COLUMN 'C' MINUS TOTAL COLUMN 'A'				3,166			

	TOTAL Baseline Efficiency Target in SR04 Period 2004/05 - 2007/08 (7.5%, 2.5% p.a.)	TOTAL Efficiencies Actually Achieved in SR04 Period 2004/05 - 2007/08	.. Of which 'cashable' / cash- releasing	Forecast 2008/09 Cash-Releasing Efficiency Gains	For Further Validation	For Further Discussion	
	£000	£000	£000	£000	£000	£000	Comments
	A	B	C	D	E	F	
TOTAL EFFICIENCIES 2008/09				6,180	0	0	

APPENDIX 'A'