



Stockton-on-Tees
BOROUGH COUNCIL

GERSHON

Paul Saunders, Head of Finance



INVESTOR IN PEOPLE



2003-2004
Rethinking Construction
2004-2005
Crime and Disorder Partnerships

What is it?

“Delivering better services for better value for money and striving for greater efficiency”

Nick Raynsford, Minister for Local and Regional Government

Period – 3 years 2005/6, 2006/7 & 2007/8

Target for Local Authorities – 2.5% per annum

Equates to £6.45 billion in total over the 3 years

What Counts as an Efficiency Gain?

- (E1) reducing inputs (money, people, assets, etc) for the same outputs
- (E2) reducing prices (procurement, labour costs, etc) for the same outputs
- (E3) getting greater outputs or improved quality (extra service, productivity, etc) for the same inputs
- (E4) getting more outputs or improved quality in return for an increase in resources that is proportionally less than the increase in output or quality

What is not acceptable as an efficiency gain?

- Re-labelling of an activity (e.g. reclassifying inspection as advice)
- Cuts that result in poorer services to the public
- Increased income from increased fees or charges

Gains are split into two categories:

1. Cashable – releases resources for reallocation elsewhere

2. Example: North East Purchasing Organisation preferred suppliers offer us the same goods at lower prices

2. Non-cashable – improved quality or additional outputs for the same level of resources

Example: Supporting People – providers of services allow extra placements for the same contract price

At least 50% of efficiencies must be cashable

Quality Cross Checks

- Used to demonstrate outputs have not in fact dropped
- Measurement Taskforce have produced a list of options
- Must choose at least 1 or 2 if necessary relating to efficiencies made
- Allowed to choose local indicator if those above not deemed suitable

2004/05 efficiencies allowed against target

However must continue until end of 2007/08

Government set inflation factors

	Original %	Revised %
2004/05	2.14	1.98
2005/06	2.52	2.09
2006/07	2.68	2.44
2007/08	2.70	2.66

Stockton's Target

	Total Required	Minimum Cashable
2005/06	£4m	£2m
2006/07	£8m	£4m
2007/08	£12m	£6m

Stockton's Actual

	Total Claimed	
04/05	1.7m	1.4m
05/06	<u>6.5m</u>	<u>4.9m</u>
	8.2m	6.3m

TIMETABLE

Forward looking statement 05/06	15 April 2005
Backward looking statement 04/05	15 June 2005
Mid-year status report	17 November 2005
Forward looking statement 06/07	14 April 2006
Backward looking statement 05/06	16 June 2006

Linked to CPA Use of Resources ?

For 2004/05 evaluated in Direction of Travel Statement.
No formal audit.

In 2005/06 full assessment including full audit.