

## Value for Money, National Indicator 179:

### 2009/10 Actual Cumulative Efficiency Savings

#### 1. Introduction

- 1.1. The Comprehensive Spending Review 2007 (CSR07) period covers 2008/09 to 2010/11. The value of any ongoing cashable efficiencies achieved during the Spending Review 2004 (SR04) period in excess of 7.5% of Hampshire County Council's 2004/05 baseline expenditure may be carried forward into CSR07. The adjusted carry forward figure is £8.5m.
- 1.2. The 2009/10 actual cumulative gains for the National Indicator 179 (NI179) must be submitted to the Department of Communities and Local Government (DCLG) by 23 July 2010. The Leader, Chief Executive and Chief Financial Officer (Section 151 Officer) should see, certify and approve the NI179 calculation. The 2009/10 actual cumulative gains include the ongoing gains for the two financial years 2008/09 and 2009/10.
- 1.3. As in July 2009 no quality cross checks are required in the NI179 submission in July 2010 and DCLG has not provided us with an approved list of quality measures for CSR07. However, services still have to collect quality cross check indicators as a means of demonstrating that claimed efficiency savings have not resulted in a reduction in the level of service.
- 1.4. This report
  - Identifies the Government's definition of 'efficiency'
  - Defines the Value for Money (VfM) indicator
  - Sets out the VfM reporting requirements
  - summarises the County Council's 2009/10 efficiency improvements (Annex A) and compares them to the forecasted gains submitted in October 2009
  - includes (Annex B) the cumulative total at year end 2009/10
- 1.5. Approval is sought to the 2009/10 achieved efficiencies that are due to be submitted to the CLG on 23 July 2010. These figures will change slightly when DCLG has confirmed the inflation values that should be used.

#### 2. Background

- 2.1. In October 2007 the Government set all public sector services a target of achieving **at least 3%** net cash-releasing value for money gains per annum over 2008/09 to 2010/11. However, whereas in SR04 the 2.5% per annum public sector target was additional (ie. 2.5%, 5% and 7.5%) in CSR07, the target is multiplicative (i.e. 3%, 6.1% and 9.3%).

- 2.2. As part of the Budget announcement in April 2009, the Chancellor announced increased targets for efficiency savings in 2010/11 across the public sector. Councils in England will now be expected to deliver 4% savings in 2010/11 – an additional 1% on top of the 3% originally envisaged in the 2007 CSR. This means the targets over the CSR07 period are: 3%, 6.1% and 10.3%.
- 2.3. There are no mandatory VfM targets for councils in CSR07. However, by using the baseline expenditure figure announced on the DCLG website in December 2008, Hampshire County Council's cumulative targets over the three year period are: £19.9m, £40.4m and £68.3m. The increased 1% target means that the County Council has to find an additional £7 million efficiency saving over the CSR07 period.
- 2.4. Like SR04 a cornerstone of the approach to efficiency is that councils are free to make the decisions on where and how to achieve efficiency gains which are right for their local circumstances.
- 2.5. Efficiency is defined as achieving the same output for less resource or additional outputs for the same resource. Consequently, an action that fully or partially alleviates a cost pressure is countable as a cash-releasing efficiency, but an action that frees up cash at the expense of the overall effectiveness of service delivery is not an efficiency gain.
- 2.6. One of the main changes for CSR07 is that non cash-releasing gains do not count towards the total efficiency target and that only cash-releasing gains expected to be ongoing should be reported.
- 2.7. The terms used during the SR04 period were cashable and non-cashable efficiency savings, while cash-releasing and non-cash releasing efficiencies are used during the current CSR07 period. There is a **difference** between the meaning of “**cashable**” and “**cash-releasing**” efficiencies as applied to the cross-public sector agenda.
- 2.8. Meeting increased demand through reduced unit costs, releases resources that would otherwise have been tied up in meeting that demand, is a cash-releasing efficiency. These were considered non-cashable under the previous regime. In contrast, improvements in service quality are still considered non-cashable (and thus ineligible for NI179) because they do not release resources that could be allocated elsewhere. It is the consideration of whether higher costs have been avoided as a result of improved efficiency that is most important.
- 2.9. As under the previous regime, inflation is to be calculated using the GDP deflator currently at 1.75% except for certain areas. Service areas approved to use alternative deflators include Adult social services with a latest index estimate for 2008/09 of 3.4% and within Environment, the road construction index Roadcon. A road construction index estimate at 5% has been used, which is the latest forecast value. Authorities are currently waiting for advice from the DCLG to find out the latest inflation indices that should be used for the July 2010 submission. All figures quoted in this report have been updated to 2009/10 prices by the above values.

### 3. Measuring Efficiency and the Indicator

#### 3.1. The definition of the VfM indicator is:

The total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008-09 Financial Year.

#### 3.2. The figure that councils report for the indicator is equivalent to the figure that emerged in the bottom row of the Annual Efficiency Statement (AES) for total cumulative cashable efficiency gains achieved. The definitions for each term used in the indicator are:

- **Net gains** – efficiencies should be reported net of investment and ongoing costs required for the implementation;
- **Ongoing gains** – if an efficiency is not sustained in full or in part in later years, then the value of the indicator must be reduced accordingly;
- **Cash-releasing gains** – only those efficiencies that reduce the level of resource required to achieve the same or better outputs, allowing resources to be redeployed, should be recorded<sup>1</sup>; and
- **Gains** since the start of the 2008/09 Financial Year – valid gains may be the result of actions taken before April 2008, but only where they impact on a council's expenditure for the first time after 31 March 2008.

#### 3.3. As in SR04, a VfM gain will be valued by comparing performance with that in the previous (or baseline) year, in particular the amount of resource that has been freed up while maintaining the overall effectiveness of service delivery.

### 4. Reporting Requirements

#### 4.1. There is no longer a requirement to submit an AES document to DCLG. However, councils are required to submit a figure for the VfM indicator twice in each calendar year. For the first time, in October 2008, councils reported their forecast for the position at the end of that financial year. This is akin to the output of the Forward Look AES, though looking at the whole period since March 2008 rather than only the particular year in question, and will help bodies working with councils to identify any emerging issues early.

#### 4.2. On the second occasion, in July 2009, councils will report the actual position as at the end of the 2008/09 financial year. This is akin to the output of the Backward Look AES.

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<sup>1</sup> This type of gain was termed 'cashable' in SR04; in measurement and reporting terms, for councils, the effective meanings of these terms are identical

## 5. **2009/10 actual cumulative gains**

- 5.1. The 2009/10 actual cumulative gains figure contains a total of £48.159m, of these £21m are additional gains achieved in 2009/10 and £8.5m that were carried forward from the SR04 period. This represents 7.3% of the baseline and surpasses the 6.1% target by £7.8m (Annex B).

## 6. **Comparison with the forecasted 2009/10 efficiencies**

- 6.1. Efficiencies totalling £21m exceed the NI179 2009/10 forecast that was reported to the DCLG in October 2009 by £0.05m. Annex A summarises the County Council's 2009/10 efficiency improvements and compares them to the forecasted gains reported to DCLG in October 2009.
- 6.2. The carry forward figure from the SR04 period has been updated to 2009/10 prices by the GDP deflator and adjusted by procurement and Children Service's efficiencies that from 2008/09 are no longer ongoing. These are shown in Annex B.
- 6.3. The 2009/10 actual cumulative Value for Money figure is £48.159m compared to £48.139m that was reported in October 2009, this represents 7.3% of the baseline.
- 6.4. Although total efficiencies reported surpass the 6.1% target set for the end of 2009/10, supporting evidence of quality cross checks must be provided to demonstrate performance has improved or remained stable.

## 7. **Quality Cross Checks**

- 7.1. The quality cross checks are not required in the Value for Money NI179 submission in July 2010 and the DCLG have not provided us with an approved list of quality measures for CSR07. There are no expectations that the same quality crosschecks used during the SR04 period should be used. However, quality cross check indicators are still required as a means of demonstrating that claimed efficiency savings have not resulted in a reduction in the level of service.
- 7.2. 8 of the chosen 29 indicators show a fall in performance. These have been scrutinised by the Integrated Planning and Reporting Steering Group. These indicators either demonstrated an overall improvement in performance over the two years or were considered to have been affected by other factors unrelated to the efficiency gain identified.
- 7.3. 6 out of the 29 quality cross check data are currently unavailable. Final figures for these are expected prior to the 23 July 2010 deadline.

## 8. **Types of efficiencies**

- 8.1. For Hampshire County Council, there are broadly three type of efficiencies being reported:

- a) Cashable efficiency improvements producing budget savings and meeting the Government's definition of efficiency include general procurement savings against the budget provision of a 2.25% increase in prices.
- b) Cashable efficiency improvements producing budget savings but not meeting the Government's definition of efficiency include introducing new charges for services and fortuitous savings.
- c) Cashable efficiency improvements not producing budget savings arise because the efficiency is avoiding unbudgeted cost e.g. staff reductions made to absorb increments, procurement efficiencies where costs are still exceeding 2.25%, capital receipts or developer contributions applied to avoid unplanned additional borrowing.

8.2. The reported NI179 figure relates to category a) and c).

### 9. Cashable efficiencies producing a budget saving

9.1. Of the 2009/10 actual cumulative efficiencies reported, gains producing budget savings amount to £26.8m. This is 4.1% of the baseline. Over 57% of these gains (£15.4m) were found in Adult Services. Where these efficiency gains have arisen they have been largely redeployed within the budget of the relevant service.

**Table 1: 2009/10 Actual Cumulative efficiencies**

	Adult Services	Children's Services	Environment	Policy and Resources	Cultural, Communities and Rural Affairs	All other Services	Total
	£000	£000	£000	£000	£000	£000	£000
a) Cashable efficiencies producing a budget saving	15,393	3,715	6,270	166	1,305	0	26,849
b) Cashable efficiencies producing a budget saving but not meeting the Government's definition of efficiency	421	0	46	1,268	0	0	1,735
c) Cashable efficiencies not producing a budget saving	1,787	723	3,004	5,202	751	1,364	12,831
Total	17,601	4,438	9,320	6,636	2,056	1,364	41,415
<b>Total NI179 efficiencies</b>	<b>17,180</b>	<b>4,438</b>	<b>9,274</b>	<b>5,368</b>	<b>2,056</b>	<b>1,364</b>	<b>39,680</b>

### **Cashable efficiency improvements producing budget savings but not meeting the Government's definition of efficiency**

- 9.2. Table 1 shows £1.7m ineligible efficiency savings. £0.4m of these are increased income and £1.3m are rates revaluation work as introducing new charges or increasing existing charges and savings in taxation paid to Government do not meet DCLGs efficiency criteria.

### **Cashable efficiency improvements not producing budget savings**

- 9.3. The County Council takes efficiencies seriously, control of costs and effective planning built into the budget setting procedures predate SR04/Gershon. Where such controls and planning produce improvements that are quantifiable and of no detriment to service provision they count as efficiency improvements, even though they do not produce budget savings.
- 9.4. Examples include the control of employee costs through the absorption of increments within existing staff budgets, SAP benefits realisation and the use of capital receipts and developer contributions to reduce capital programme financing costs, predicted in decisions made about capital spending.
- 9.5. Table 1 also shows that £12.8m cashable improvements that do not produce a budget saving have been achieved during 2009/10, which is 1.9% of the baseline.
- 9.6. Robust corporate procurement and purchasing through the Central buying Consortium has produced real efficiencies, but there are also examples of prices that have increased by more than the GDP deflator and not reported.

## **10. Summary**

- 10.1. The 2009/10 actual cumulative gains (or NI179 figure) have been prepared in accordance with DCLG guidelines. The majority of the quality cross checks demonstrate stable or improving service quality over the two years or were considered by the Integrated Planning and Reporting Steering Group to have been affected by other factors unrelated to the efficiency gain identified.
- 10.2. Efficiencies totalling £48.159m exceed those forecasted in the October 2009 submission by £0.05m.
- 10.3. The DCLG's minimum requirement of cashable efficiencies during the Spending Review 2004 period has been exceeded enabling Hampshire County Council to carry forward £8.5m to the CSR07 period.
- 10.4. The NI179 figure (2009/10 actual cumulative gains) contains a total of £48.159m, representing 7.3% of the baseline expenditure. Of these £21m are additional gains achieved during 2009/10 and £8.5m are gains that were carried forward from the SR04 period.
- 10.5. Annex B provides a summary of the NI179 calculation for sign off by the Leader, Chief Executive and County Treasurer.

11. **Recommendation**

11.1. The National Indicator 179, Value for Money figure is approved.

## Hampshire County Council

Value for Money, National Indicator 179

2009/10 Actual Cumulative gains compared to the Forecasted Cumulative gains reported to DCLG October 2009

	<b>Draft Actuals 2009/10 to be reported to CLG, July 10</b>	<b>Forecasted 2009/10 Reported to CLG, October 09</b>	<b>Variation</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Adult Services meeting Govt's definition</b>	<b>8,380</b>	<b>8,560</b>	<b>-180</b>	
Dependency & Demographic pressures	1,419	1,616	-197	Savings on Transition clients from children's services were less than expected due to difficulties in securing Continuing Health Care Funding, £469k . This is offset in part by additional LD client turnover savings £272k.
Commissioning/inflation	1,519	1,369	150	Additional Savings from OP/PD Dom Pop in Service, 15k, OP/PD Dom Care Reviews, 14k and LD High Cost Placements, 268k. Offset by underachievement of LD Day Care and MH Residential Savings, 147k.
Transformation Programme	1,126	1,126	0	
Operational efficiencies	3,812	3,945	-133	Additional Supporting People Savings from one off contract adjustment 129k, offset by LD/MH Top slice not achieved 262k.

	<b>Draft Actuals 2009/10 to be reported to CLG, July 10</b>	<b>Forecasted 2009/10 Reported to CLG, October 09 10</b>	<b>Variation</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Increments	504	504	0	
<b>Cashable not meeting Government's definition</b>	<b>7</b>	<b>7</b>	<b>0</b>	
Scope for increased income	7	7	0	
<b>Children's Services Non school education</b>	<b>2,104</b>	<b>2,466</b>	<b>-362</b>	
Other efficiencies (various efficiency targets resulting in re-direction of budget to other high priority areas, with no impact on service delivery/performance)	1,200	1,562	-362	Some services set efficiency targets (to enable re-direction of budget to other high priority areas) unable to achieve these due to in-year emerging budget pressures.
Home to School Transport Taxi re-tender	200	200	0	
Hampshire Inspection and Advisory Service	315	315	0	
Children's Services IT efficiencies	44	44	0	
Increments and re-grading	328	328	0	
Early Years - supporting extra 3 year olds	17	17	0	

	<b>Draft Actuals 2009/10 to be reported to CLG, July 10</b>	<b>Forecasted 2009/10 Reported to CLG, October 09 10</b>	<b>Variation</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Children's Services</b>	1,040	750	290	
<b>Social care</b>				
Intensive Support Service	450	450	0	
Independent Fostering Providers	590	300	290	An increase in the number of children placed within foster care during 2009/10 (as a result of increased numbers of Children Looked After by the County Council), has resulted in a need to place a higher number of children within external placements than originally budgeted. However, further increased capacity generated within in-house foster care service, as well as managing inflation/price increases, has resulted in lower overall unit costs for foster care placements than originally estimated.
<b>Total for Children's Services</b>	<b>3,144</b>	<b>3,216</b>	<b>-72</b>	
<b>Environmental Services meeting Govt's definition</b>	<b>5,271</b>	<b>5,539</b>	<b>-268</b>	
<b>Environmental Services excluding Local transport</b>	<b>3,346</b>	<b>3,346</b>	<b>0</b>	

	<b>Draft Actuals 2009/10 to be reported to CLG, July 10</b>	<b>Forecasted 2009/10 Reported to CLG, October 09</b>	<b>Variation</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Abandoned vehicles - reduced budget requirement	100	100	0	
Waste management contract	2,146	2,146	0	waste management contract (total of £3,246)(£2,146 under a)&£1,100 under c)).
Waste management contract	1,100	1,100	0	waste management contract (total of £3,246)(£2,146 under a)&£1,100 under c)).
<b>Local transport - highways</b>	<b>1,925</b>	<b>2,193</b>	<b>-268</b>	
IT - various efficiencies to absorb service pressures	171	171	0	
Office services - planned cost recovery of surplus office furniture	76	76	0	
Furniture, fixtures and fittings - other savings	25	25	0	
Leachate treatment efficiency saving	5	5	0	
Term highways contract - future programme of initiatives	50	50	0	
Highway management - staff savings arising from management reviews	275	275	0	
Support services - planned savings from	188	188	0	

	<b>Draft Actuals 2009/10 to be reported to CLG, July 10</b>	<b>Forecasted 2009/10 Reported to CLG, October 09</b>	<b>Variation</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
review of administrative services				
Support services - other staff savings in office support services	31	31	0	
Strategy & Information - staff saving arising from management review	85	85	0	
Non staff overheads - various efficiency savings	60	60	0	
Savings to offset cost of salary increments	224	224	0	
Developers' contribution -avoidance of capital borrowing	262	530	-268	Reduced to reflect current market conditions.
Street lighting energy - cost increases avoided from new three-year contract	473	473	0	
<b>Cashable not meeting Government's definition</b>	<b>25</b>	<b>25</b>	<b>0</b>	
Public transport - savings in publicity	25	25	0	
Policy & Resources meeting Govt's definition	2,491	2,440	51	

	<b>Draft Actuals 2009/10 to be reported to CLG, July 10</b>	<b>Forecasted 2009/10 Reported to CLG, October 09</b>	<b>Variation</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>IT Services</b>	<b>574</b>	<b>1,143</b>	<b>-569</b>	
Ring network	0	75	-75	Savings related to HPSN are now included in the HPSN2 figures - this will not now be realised until 2010/11.
Maintenance contract retender	60	144	-84	2008/09 figure should have been £140k, £60k is the remainder in 2009/10.
Headcount reductions	0	183	-183	The headcount reductions savings are now included in the CSR figures and will not be realised until 2010/11.
Service Delivery headcount reductions	-25	-25	0	
Networks - replacement of WECN and Dialup	0	60	-60	This will be included in the HPSN savings in 2010/11.
Server virtualisation:			0	
- reduction in licensing costs	22	22	0	
- reduced power consumption	50	50	0	
- decommissioning of old hardware	147	147	0	
Pull printing (estimates 20% of paper costs)	0	2	-2	Included in 2010/11 figures.

	<b>Draft Actuals 2009/10 to be reported to CLG, July 10</b>	<b>Forecasted 2009/10 Reported to CLG, October 09</b>	<b>Variation</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Windows terminal support outsourced to 2e2	30	30	0	
New contract with NTL Autumn 2009 (HPSN)	0	250	-250	Savings will now be realised in 2010/11.
Data storage replacement, reduced costs & increased capacity	205	205	0	
Maintenance contract retender (achieved in 08/09 £140k in total, £84k more)	85	0	85	Achieved in 2008/09 but claimed in 2009/10.
<b>Treasurer's</b>	<b>199</b>	<b>215</b>	<b>-16</b>	
Increments	184	184	0	
BACS advice emailing savings	2	2	0	
Use of courier, contracting out postage & combining mailings	10	10	0	
New catering arrangements and company status contracts	3	3	0	
Downsizing of office space/flexible working	0	6	-6	Office accommodation budget below the line - not too sure how to measure these.

	<b>Draft Actuals 2009/10 to be reported to CLG, July 10</b>	<b>Forecasted 2009/10 Reported to CLG, October 09</b>	<b>Variation</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Income and Debtors BPI savings	0	10	-10	Not realised in 2009/10.
<b>HR &amp; Chief Execs</b>	<b>864</b>	<b>446</b>	<b>417</b>	
HR resources centre advertising	50	50	0	
HR increments	146	146	0	
Chief Executive's increments	189	189	0	
HRMT negotiated cost of SEE subscriptions	2	2	0	
Legal Practice	417	0	417	
HR SAP benefits realisation	60	60	0	
<b>PB&amp;R</b>	<b>854</b>	<b>636</b>	<b>218</b>	
PB&R increments	485	485	0	
PB&R HQ facilities management contract	50	50	0	Part year effect of new contract starting October 2008.
PR&R HTM contract hire reductions	101	101	0	

	<b>Draft Actuals 2009/10 to be reported to CLG, July 10</b>	<b>Forecasted 2009/10 Reported to CLG, October 09</b>	<b>Variation</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
PB&R Registration Services modernisation/New Governance Scheme	32	0	32	Further transfer of base budget to Hantsdirect less overspend for year.
PB&R Management and admin restructure	186	0	186	Part year effect of phases 1 and 2 (ongoing process into 10/11).
<b>Cashable not meeting Government's definition</b>	<b>1,110</b>	<b>500</b>	<b>610</b>	
Rates revaluation work	1,110	500	610	Final year of current five year list - Valuation Office progressed higher number of claims than usual. Figure is non-schools only with an additional £709k for school savings - source Alix Byrne, Estates Rating Team Leader.
<b>All Services</b>	<b>355</b>	<b>44</b>	<b>311</b>	
PB&R capital receipts	355	44	311	Completion of phase 3 John Hunt of Everest School, Basingstoke and other disposals towards the end of the financial year.
<b>Procurement</b>	<b>416</b>	<b>207</b>	<b>209</b>	

	<b>Draft Actuals 2009/10 to be reported to CLG, July 10</b>	<b>Forecasted 2009/10 Reported to CLG, October 09</b>	<b>Variation</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Temporary Agency Staff:</b> reduced margins in new contract reflected in bill rates (remaining element of the full year effect) see 2008/09)	56	56	0	
<b>ICT Consumables:</b> reduction in prices on new CBC contract	18	18	0	
<b>Waste collection &amp; recycling:</b> improved prices on new contract with increased range of recyclates collected	28	28	0	
<b>Independent Parental Supporters:</b> contracted saving against budget - budget saving to be used for provision of additional services	25	25	0	
<b>Home Access to Targeted Groups IT Programme:</b> Pro5 Framework contract was used instead of the BECTA Framework and provided an additional 5% saving compared to using the BECTA Framework pricing . This resulted in more units being provided than anticipated	33	33	0	
<b>Office Supplies:</b> reduced prices for laminating and binding products, sugar paper and office labels	3	3	0	

	<b>Draft Actuals 2009/10 to be reported to CLG, July 10</b>	<b>Forecasted 2009/10 Reported to CLG, October 09</b>	<b>Variation</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Batteries &amp; Torches, Lamps &amp; Tubes:</b> reduced prices on collaborative contracts	2	6	-4	apportionment of savings between schools and corporate departments revised, thus increasing savings for schools and reducing savings for corporate departments.
<b>Recordable Media:</b> reduction in prices on CBC contract	2	2	0	
<b>Appropriate Adults:</b> reduction in contracted price of service	24	24	0	
<b>Personal Protective Equipment:</b> price reduction from new contract for hand and face protection and collaborative procurement for other PPE	0	12	-12	Unable to be achieved due to changes in some products, part of the savings is reflected in reductions in warehouse stock prices (see below).
<b>Warehouse Stock Items &amp; Photocopiers:</b> reductions in prices	18	0	18	Ability to reduce stock prices due to smarter purchasing.
<b>Outdoor Furniture, Curtains and Blinds:</b> reduction in prices	13	0	13	Reduction in prices through joining new collaborative contracts.
<b>Vehicle Spares:</b> reduced prices through new contracting approach and aggregation	36	0	36	New contract put in place sooner than planned and generated reduced prices.
<b>Assistive Technology:</b> average reduction in prices through new collaborative contract	63	0	63	New collaborative contract produced savings not previously identified.

	<b>Draft Actuals 2009/10 to be reported to CLG, July 10</b>	<b>Forecasted 2009/10 Reported to CLG, October 09</b>	<b>Variation</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Children's Centres Phase 3: tendered prices compared to budget (this is the average annual recurring saving over the potential 5 year contracts, as annual savings compared to budget varies year on year)	95	0	95	Savings not originally envisaged - achieved through structured procurement approach being adopted.
<b>Culture, Communities &amp; Rural Affairs</b>	<b>947</b>	<b>947</b>	<b>0</b>	
Service redirections	430	430	0	
Increments & regradings	517	517	0	
<b>HCC total meeting Govt's definition</b>	<b>21,004</b>	<b>20,953</b>	<b>51</b>	

## Hampshire County Council

Annex B

Draft Actual Value for Money gains from 1 April 2008 to 31 March 2010  
(VfM NI179)

	2008/09 actual cumulative gains Reported to CLG 24 July 2009	2009/10 Actual gains as per 16 June 2010	Cumulative gains reported to CLG 23 Oct 2009	Variance	2009/10 DRAFT actual cumulative gains Reported to CLG 23 July 2010
	£'000	£'000	£'000	£'000	£'000
Adult Services	8,511	8,380	8,560	-180	17,180
Children's Services	1,272	3,144	3,216	-72	4,438
Environment	3,862	5,271	5,539	-268	9,274
Culture, Communities and Rural Affairs	1,090	947	947	0	2,056
Treasurer's	326	199	215	-16	531
Chief Executive	962	864	446	418	1,843
Property, business and regulatory	635	854	636	218	1,500
IT Services	907	574	1,143	-569	1,495
Policy and Resources	2,830	2,491	2,440	51	5,369
Capital receipts	48	355	44	311	404
Corporate procurement	534	416	207	209	960
<b>Total</b>	<b>18,147</b>	<b>21,004</b>	<b>20,953</b>	<b>51</b>	<b>39,681</b>
Carry forward from 2007/08 (uprated by GDP) ***	8,333	8,479	8,416		8,479
<b>NI 179 figure reported to CLG 24 July 2009</b>	<b>26,480</b>				
2008/09 Actual gains uprated to 2009/10 prices##		18,677	18,770		
<b>NI 179 figure to report to CLG 23 July 2010</b>		<b>48,159</b>	48,139		48,159
<b>HCC's Cumulative Baseline target</b>	<b>19,881</b>	<b>40,359</b>	<b>40,359</b>		
<b>Variance</b>	<b>6,599</b>	<b>7,800</b>	<b>7,780</b>		
Carry forward as per Backward Look 2007/08, July 2008	8,236				
<b>Adjustments to 2007/08 carry forward:</b>					
Procurement	-56				
Children Services	-50				
Amended carry forward figure	8,130				
*** July 10 figure uprated by GDP (2.5% & 1.75%)	8,479				

## = Deflators (GDP 1.75%, Roadcon 5% &amp; PSS Pay &amp; prices (All Sectors for adult clients only incl capital) 3.4%)

**2009/10 Actual cumulative gains approved by:**\_\_\_\_\_  
County Treasurer\_\_\_\_\_  
The Leader\_\_\_\_\_  
Chief Executive