

HISTORIC SCOTLAND BOARD, 24 APRIL 2008

HSB

Copy to: John Barber

EFFICIENCY TARGETS

Purpose

1. To advise HSB of our approach to efficiency and the progress made to date on identifying potential savings.

Priority

2. Normal

Background

3. The Agency has been given a 2% efficiency target which has been taken as a cash reduction from the baseline. This target will apply for each of the three years 2008-09, 2009-10 and 2010-11. The savings are applied cumulatively so the effect is £1 million, £2 million and £3 million over the period.

4. The Scottish Government (SG) have required all bodies to submit efficiency technical notes setting out how they propose to meet their targets. Historic Scotland has submitted its technical note and this has been approved. The SG will require quarterly reports from June 2008 on the savings achieved.

Efficiency Savings

5. The SG approach to efficiency has been simplified. The targets set relate entirely to cash releasing savings. Time releasing savings do not score. The definition of a cash releasing efficiency saving is:

Delivering the same output for a reduced cost or delivering a reduced unit cost to deliver an increased volume of service for the same cost.

6. Helpfully income efficiencies are recognised in this round of targets. These exclude increased income from higher fees and charges to the public. Any income efficiencies identified by Historic Scotland exclude the increase from the price rise.

Approach

7. SMT have agreed not to pro-rate the target given the different capacities and timescales for achieving savings within the groups. Instead Directors are required to rigorously examine budgets for potential savings. It will be for SMT and HSB to monitor and challenge performance.

8. Following an away day in June 2007 and further meetings with Directors we have identified a number of areas where we can achieve efficiency savings. We will continue to work with Directors to identify other areas. Appendix A is an early version of the monitoring report for HSB and this sets out the projects and savings identified to date. This will be finalised in May and formally reported to HSB in June 2008.

Risks

9. The report indicates that we have exceeded the target for 2008-09. However there are a number of risks which mean that we cannot yet be confident of meeting this target. These include:

- We still have to secure formal agreement from the efficiency unit for the income efficiencies identified. This is critical if we are to achieve the target in any of the three years.
- A number of projects are flagged as Amber because they still have to start an agreed action point. Project slippage will quickly mean that we miss the 2008-09 target. Ideally we need to identify savings well in excess of this.
- We have still not identified sufficient savings for years 2 and 3. While there are a number of Best Value reviews underway or planned we have not attempted to estimate the savings from these. It is entirely possible that they may not yield significant savings.

Action for HSB

10. HSB is invited to note the progress made and approve the approach.

Laura Petrie
Director of Finance

10 April 2008

Appendix A Efficiency Savings Progress Report			Actual Savings	Projected Savings		
Group	Project	Status	2008-09	2008-09	2009-10	2010-11
Policy	Review of Grants Team	Green	-	30,000	65,000	65,000
Policy	Best Value Review of international policy work	Green	-	?	?	?
Policy	Abolition of HEACS	Amber	-	40,000	195,000	223,000
Policy	Review of CHT Grants	Amber	-	?	?	?
			-	70,000	260,000	288,000
TCRE	In-house authorship of Technical Publications	Amber	-	25,000	25,000	25,000
TCRE	Review design, production and distribution of publications.	Amber	-	10,000	15,000	20,000
TCRE	Manage events in-house rather than contract	Amber	-	10,500	10,500	10,500
TCRE	Use staff resources for publication photography	Amber	-	10,000	10,000	10,000
TCRE	Research Internships / Craft Fellowships	Amber	-	16,000	16,000	16,000
TCRE	Best Value Review of TCRE	Green	-	?	?	?
			-	71,500	76,500	81,500
HR	Options Appraisal Review	Green	-	?	?	?
HR	Online recruitment advertising	Green	-	70,000	70,000	70,000
HR	Absence Management	Amber	-	23,000	23,000	23,000
HR	Alternative Working Patterns	Amber	-	92,000	92,000	92,000
HR	Asset Management	Amber	-	50,000	50,000	50,000
			-	235,000	235,000	235,000
Finance	Options Appraisal Review	Green	-	?	?	?
Finance	Procurement Savings	Green	-	200,000	200,000	200,000
			-	200,000	200,000	200,000
Chief Execs	Publish Annual Accounts On-line	Green	-	20,000	20,000	20,000
Chief Execs	Change press cuts service	Amber	-	-	8,000	8,000
			-	20,000	28,000	28,000
PIC	Utilities	Amber	-	100,000	100,000	100,000
PIC	ECVR	Amber	-	300,000	300,000	300,000
PIC	Best Value Review of Professional Services	Green	-	?	?	?
PIC	Retail Strategy	Amber	-	69,000	100,000	100,000
PIC	Health-checks	Amber	-	-	50,000	100,000
			-	469,000	550,000	600,000
			-	1,065,500	1,349,500	1,432,500
	Target Savings			1,000,000	2,000,000	3,000,000

