

## Annual efficiency statement - forward look

Details

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Statement

**Strategy for making and monitoring efficiency gains**

The Council reviewed its corporate priorities in 2003 prior to agreeing the People and Performance Corporate Plan 2003-07. Six key priorities were included in the plan following consultation with residents as part of a comprehensive service expenditure review. One of the priorities is to cut bureaucracy and improve cost effectiveness.

The Council reviewed its medium term financial strategy in 2003 and agreed a Four Year Financial Plan 2004-2008. One of the main financial objectives is to limit increases in Council Tax and reduce the use of the working balances. This provides a major challenge, particularly as the Council has already reduced staffing and overheads in a number of areas. To address this challenge the following efficiency targets have been included in the financial plan:-

- (a) Management efficiency savings targets of £400,000 per annum by 2007/08
- (b) Reduced operating subsidy for the Council's venues and day centres of £310,000 by 2007/08
- (c) Disposal of properties to reduce repair and maintenance liabilities and to generate a receipt of £4 million by March 2008 to enable a minimum £3.5 million investment in community services

The Council has completed two Best Value reviews that were specifically targeted at achieving cost reduction; a review of the Council's venues and a review of cutting bureaucracy. Future service and value for money reviews will contribute to the achievement of efficiency savings and will identify opportunities for partnership working and external funding.

The Council seeks continuous improvement in the service it provides and will continue to make investment in operational change where this leads to improved services at the same or lower cost. The Council operates a flexible approach to service delivery with some skills and expertise being retained in-house and some bought in from the private sector. The Council has implemented a customer contact centre through business process change. The customer service function is supported by a number of teams providing specialist advice and is a driver for improvement in services. This customer focused approach provides a framework within which the Council moves resources into front-line services.

The Council will continue to invest in new technology to improve access to services and to achieve operational efficiencies. Funding from Planning Delivery Grant has enabled investment in the planning service to achieve more efficient and effective methods of service delivery. Investment in new technology is also being made in other areas such as finance and procurement where there are high numbers of transactions.

The Council has established a projects and procurement division and will continue to enhance staff skills to deliver a modern Procurement Strategy. The Council has implemented innovative approaches to some of its main contracts. The Council has a good track record for networking and sharing knowledge and ideas. The Council has particularly strong networks with other Councils and will continue to look at opportunities for joint service delivery, e-procurement partnerships, etc. to achieve cost reduction. The Council plays a lead role on the Surrey Procurement Network.

The Council will continue to develop its performance management framework to provide timely and relevant performance information. Key Service Priorities are being used by elected councillors to achieve service improvement and budget targets. Risk management techniques will be developed further to achieve project objectives and reduce the likelihood of cost and time overruns on major projects.

The Council will complete a full update of its HR Strategy in 2007 and has made a commitment to achieve a workforce that has the capacity, skills and motivation to deliver the Corporate Plan which itself will be fully updated following the elections in 2007. The Council will continue to use its competency framework and staff appraisal process to develop the skills of existing staff. It will continue to recruit new staff with skills needed to deliver more efficient and effective services.

Councillors are fully aware of the need for efficiency gain if they are to maintain their council tax policy whilst enhancing services prioritised by residents. Staff will undertake a learning and development programme, elements of which will also cover councillor training. This will increase the Council's capacity to manage the on-going process of organisational change.

#### Key actions in 2007/08

1. Achieve savings targets for overhead and procurement efficiency savings in the 2007/08 budget.
2. Complete current programme for the disposal of surplus properties to achieve the four year programme of £4 million in capital receipts and to reduce property maintenance and operational costs.
3. Update the 2006 Asset Management Plan programme upon the appointment of the corporate property officer and a shared service sustainability officer in 2007, to include energy efficiency initiatives and performance measures on Council buildings.
4. Achieve e-government investment programme, including enhanced integration with customer services software.
5. Make capital investments in planning to facilitate on-line planning services, e.g. the use of the national application form.
6. Implement the procurement module of financial management systems to increase administrative efficiency and implement IDEA Marketplace to achieve further procurement savings
7. Prepare updated business plans for community venues, for waste strategy and recycling and for parking and enforcement.
8. Review telecommunication facilities and strategy for future investment planning.
9. Implement Human Resources Strategy, including Learning & Development Strategy to increase organisational capacity.
10. Prepare new Corporate and Financial Plan for 2008-2012.

	Expected annual	...of which cashable	Related links
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	efficiency gains (£)	(£)	
Adult social services	0	0	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	Strategy: Key actions:		
Children's services	0	0	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	Strategy: Key actions:		
Culture and sport	0	0	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	Strategy: Key actions:		
Environmental services	0	0	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	Strategy: Key actions:		
Local transport (highways)	0	0	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	Strategy: Key actions:		
Local transport (non-highways)	0	0	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	Strategy: Key actions:		
LA social housing (capex)	0	0	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	Strategy: Key actions:		
LA social housing (other)	0	0	<a href="#">Documents</a> <a href="#">People</a>

			<a href="#">Projects</a>
	Strategy: Key actions:		
Non-school educational services	0	0	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	Strategy: Key actions:		
Supporting people	0	0	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	Strategy: Key actions:		
Homelessness	0	0	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	Strategy: Key actions:		
<b>Other cross-cutting efficiencies not covered above</b>			
Corporate services	50,000	50,000	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	Strategy: Management restructures implemented or at consultation stage. Key actions: Review of business requirements and officer structures in HR/communications, IT and financial services, operational services.		
Procurement - goods and services	70,000	70,000	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	Strategy: Implement procurement strategy including IdeA market place and joint review of Surrey Council purchasing resourced by an external funding bid. Agree reduced charges for banking services by negotiation following benchmarking. IT purchasing changes. Key actions: Implement procurement module of Financial Management System Implement IDEA Marketplace		
Procurement - construction	0	0	<a href="#">Documents</a> <a href="#">People</a>

			<a href="#">Projects</a>
	<b>Strategy:</b> <b>Key actions:</b>		
Productive time	0	0	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	<b>Strategy:</b> <b>Key actions:</b>		
Transactions	52,000	0	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	<b>Strategy:</b> Investment in electronic financial and procurement systems  Note: The Council is implementing a new financial management and procurement system in April 2007. The typical saving figure of £26 per transaction is from the National E-Procurement Project (NEPP) from "the benefits of e-procurement" report issued by ODPM March 2004 following research by Deloitte. It is a recognised figure for calculating e-procurement efficiencies. For 8,000 transactions this would provide productivity savings of £208,000 p.a. Only 25% of this figure has been used for this return assuming a phased realisation of benefits. The position will be reviewed at year end.  <b>Key actions:</b> Implement procurement module of financial management system		
Miscellaneous efficiencies	30,000	30,000	<a href="#">Documents</a> <a href="#">People</a> <a href="#">Projects</a>
	<b>Strategy:</b> Shared procurement service with neighbouring council(s)  <b>Key actions:</b> Implement shared service agreement for purchasing and sustainability officer		
<b>Total</b>	<b>202,000</b>	<b>150,000</b>	