

## Annual Efficiency Statement 2005/06 - Forward Look

*(Submission 15 April 2005)*

### Strategy for securing 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 key 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 Best Value Review Programme has been aligned to the key priorities in the corporate plan. The Council has completed two reviews that were specifically targeted at achieving cost reduction; a review of the Council's venues and a review of cutting bureaucracy. The review programme will continue to be used to contribute to the delivery of the key priorities in the corporate plan and will contribute to the achievement of further efficiencies:-

- By seeking partnership approaches
- By looking for opportunities for capital or grant funding with sustainable on-going revenue costs
- By focusing on options to shift existing resources to better achieve corporate and key service priorities

The Council 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 via contractors or consultants. The Council seeks continuous improvement in the service it provides.

The Council recognises the risks that a traditional 'silo-based' approach to service delivery will not lead to gains in efficiency and is developing service

delivery around a customer services division. 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 already a driver for improvement in environmental and street-care services. This customer focused approach provides a framework within which the Council will progressively move resources into front-line services.

The Council will continue to invest in new technology to improve access to services and to achieve operational efficiencies. The additional funding from Planning Delivery Grant is providing an opportunity to invest in the planning service to achieve more efficient and effective methods of service delivery. Investment in new technology is being made in other areas such as revenues collection and housing and council tax benefits where there are high numbers of transactions.

The Council has established a Projects and Procurement Division and will continue to enhance team 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, e.g. it is represented on the Inter-Authority Group and subscribes to the National Local Government Network. 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 has developed its performance management framework to provide more timely and relevant performance information. Monthly and quarterly reports cover both cost and service performance information. The key service priorities will be used by councillors to achieve service improvement and efficiency gains. This is particularly relevant to the Strategy and Resources Committee whose priorities include the financial strategy, staffing, property management, information management and consultation. Risk Management techniques will also be used to achieve project objectives and reduce the likelihood of cost and time overruns on major projects.

The Council is currently updating its HR Strategy and has made a commitment to achieve a workforce that has the capacity, skills and motivation to deliver the Corporate Plan. 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 have demonstrated their commitment to the priorities in the Corporate Plan and the achievement of Key Service Priorities. They are fully aware of the need for efficiency gain if they are to maintain their council tax policy whilst enhancing services prioritised by residents. Councillors are about to embark on a development programme to increase their capacity to manage the process of organisational change. The Council's aims and ambitions will not be achieved by efficiency gain alone and representation will continue to be made for improvements to local government funding. Central Government has an opportunity to address local government concerns in the Balance of Funding

Review. The Council has however fully committed to achieving significant further efficiency gains over the next three years and has backed this up by challenging targets in its performance plans.

### **Key actions to be taken during the year**

1. Achieve budget savings targets for management efficiency savings in 2005/06 and agree specific savings for 2006/07 as part of the budget process.
2. Meet budget savings targets for venues. Prepare or update detailed business plans for each venue with a savings target for 2006/07 as part of the budget preparation process.
3. Disposal of surplus properties generating £1.2 million receipts to reduce property maintenance and operational costs (including providing the same services from fewer properties)
4. Update Asset Management Plan including a review of Council property holdings and property maintenance liabilities
5. Complete audit of Open Spaces
6. Approve and implement updated Procurement Strategy, including approach to joint working
7. Approve and implement Human Resources Strategy and training plan
8. Complete Best Value Review of Customer Contact and agree action plan
9. Achieve e-government investment programme including investment in planning funded from Planning Delivery Grant

|                               | Expected annual efficiency gains (£)   | ...of which related to capital spend (£) | ...of which related to other spend (£) | ...of which cashable (£) |
|-------------------------------|--|--|--|--------------------------|
|                               | 32,000   |  |  | 30,000                   |
| <b>Adult social services</b>  | <p><b>Strategy:</b> The Council provides the following services for the elderly; four social centres, a meals-on-wheels service and a demand led transport (route-call) service. The Council will implement a Best Value review improvement plan to provide the same or improved services from fewer venues and to achieve a reduction in the subsidy for this service.</p> <p><b>Key actions:</b> 1. Achieve budget savings targets for 2005/06<br/> 2. Extend one of the existing day centres (Longmead) so that services can be enhanced<br/> 3. Dispose of surplus property<br/> 4. Reduce the management overhead for transport for the elderly<br/> 5. Use internet for assisted shopping service</p>  |  |  |                          |
| <b>Children's services</b>    | 0  |  |  | 0                        |
|                               | <p><b>Strategy:</b></p> <p><b>Key actions:</b></p>   |  |  |                          |
| <b>Culture and sport</b>      | 45,000   |  |  | 45,000                   |
|                               | <p><b>Strategy:</b> A major capital investment was made in a new leisure centre two years ago which is managed by a leisure trust. This has reduced operating and management costs for leisure services. The Council has agreed cost reduction targets for some of its main venues following Best Value review and will deliver reductions in subsidy between 2004 and 2008. The Council will also prioritise investment in its backlog property maintenance programme to ensure properties are fit-for-purpose and to reduce on-going repairs on venues used.</p> <p><b>Key actions:</b> 1. Delivery of budget savings targets set for 2005/06<br/> 2. Audit of Open Spaces<br/> 3. Prioritised property investment<br/> 4. Business Plans for Venues to achieve 2006/07 savings as part of the estimates process</p> |  |  |                          |
| <b>Environmental services</b> | 170,000  |  |  | 35,000                   |
|                               | <p><b>Strategy:</b> The Council is re-engineering environmental services to enable more resources to be placed on front line service delivery. Changes include the multi-skilling of Street Cleansers and Rangers to spot (and in some cases rectify) minor environmental defects which will reduce the requirement for specialist inspectors. The integration of tasks such as opening parks with cleansing activities will generate operational savings. Efficiencies will be achieved in the office-based activity (planning, building control and environmental health) through investment in new technology to enable staff to work smarter.</p>  |  |  |                          |

|  |  |   |   |                                 |
|--|--|---|---|---------------------------------|
|  | <b>Key actions: 1. Reduction in management overheads<br/>2. Improved productivity from operational staff<br/>3. Re-engineering service provision</b>   |   |   |                                 |
|  | <b>Expected annual efficiency gains (£)</b>  | <b>...of which related to capital spend (£)</b> | <b>...of which related to other spend (£)</b> | <b>...of which cashable (£)</b> |
| <b>Local transport</b>                 | 0  |   |   | 0                               |
|  | <b>Strategy:</b>   |   |   |                                 |
|  | <b>Key actions:</b>  |   |   |                                 |
| <b>LA social housing</b>               | 21,000   | 16,000  | 5,000   | 0                               |
|  | <b>Strategy: The Council has transferred its housing stock reducing the scope for efficiency savings on service delivery. The Council is investing in a new housing system to improve efficiency and manage additional responsibilities with existing staff. The Council is working with the main RSL in the borough to achieve more efficient use of facilities for the disabled funded by DFG to offset the significant increase in grant eligibility.</b> |   |   |                                 |
|  | <b>Key actions: 1. Implement new housing IT system</b>   |   |   |                                 |
| <b>Non-school educational services</b> | 0  |   |   | 0                               |
|  | <b>Strategy:</b>   |   |   |                                 |
|  | <b>Key actions:</b>  |   |   |                                 |
| <b>Supporting people</b>               | 0  |   |   | 0                               |
|  | <b>Strategy:</b>   |   |   |                                 |
|  | <b>Key actions:</b>  |   |   |                                 |
| <b>Homelessness</b>                    | 25,000   |   |   | 25,000                          |
|  | <b>Strategy: The Council is working on a range of housing initiatives to reduce the need for temporary accommodation and to achieve no use of bed and breakfast.</b>   |   |   |                                 |
|  | <b>Key actions: 1. Implement new housing IT system (see LA social housing)<br/>2. Achieve reduced budget for housing through reduced use of temporary accommodation and no use of bed and breakfast</b>  |   |   |                                 |

| <b>Other cross-cutting efficiencies not covered above</b> |  |   |   |                                 |
|---|--|---|---|---------------------------------|
|   | <b>Expected annual efficiency gains (£)</b>  | <b>...of which related to capital spend (£)</b> | <b>...of which related to other spend (£)</b> | <b>...of which cashable (£)</b> |
|   | 120,000  |   |   | 120,000                         |
| <b>Corporate services</b>                                 | <p><b>Strategy:</b> The Council has reviewed its senior management structure and strengthened its corporate capacity in areas that will have most impact on service delivery (customer services, projects and procurement). The Council regularly reviews the services it provides and the methods of service delivery. Decisions taken as part of the 2005/06 budget process will reduce staffing in Human Resources, Committee Administration and Secretarial Support. Directors will review all management turnover and look at opportunities for efficiency savings as well as improvements in service delivery. The Best Value Review of Cutting Bureaucracy Improvement Plan identifies actions needed to achieve savings in corporate costs. The Council will continue to review opportunities for savings through partnership and joint working.</p> <p><b>Key actions:</b> 1. Deliver cost reductions included in 2005/06 staff budget<br/> 2. Implement new Internal Audit Partnership Contract (2005-2010)<br/> 3. Review structure and identify potential staff savings as part of 2006/07 estimates process<br/> 4. Update Asset Management Plan and achieve disposal and investment targets<br/> 5. Implement HR Strategy and Training Plan<br/> 6. Achieve electronic government investment targets</p> |   |   |                                 |
|   | 30,000   |   |   | 30,000                          |
| <b>Procurement</b>  | <p><b>Strategy:</b> The Council has re-organised its operational services to establish a Projects and Procurement Division to achieve significant improvements in the delivery of capital investment programmes and to modernise its corporate approach to procurement. A more strategic approach will continue to be applied to purchasing goods and services with assessments made of alternative approaches to service delivery including initiatives such as joint working and e-procurement. Targets for savings from procurement have been agreed following best value review .</p> <p><b>Key actions:</b> 1. Update procurement strategy<br/> 2. Establish Performance Indicators<br/> 3. E-procurement initiatives to achieve targeted cost savings<br/> 4. Evaluation of options for shared service provision<br/> 5. Prepare procurement toolkit to assist best practice<br/> 6. Establish framework agreement for consultancy services</p>  |   |   |                                 |

|                            | Expected annual efficiency gains (£)   | ...of which related to capital spend (£) | ...of which related to other spend (£) | ...of which cashable (£) |
|----------------------------|--|--|--|--------------------------|
| Productive time            | 25,000   |  |  | 0                        |
|                            | <p><b>Strategy:</b> The Council's performance management system is used to provide clear priorities to assist corporate productivity. Investment in IT systems and the customer contact centre will increase productivity and release staff time for more effective service delivery.</p> <p><b>Key actions:</b> 1. Deliver programmed transfer of services to customer contact centre<br/> 2. Deliver e-government IT capital investment programme<br/> 3. Complete implementation of Document Management System in Revenues and Benefits<br/> 4. Implement effective applications of GIS</p> |  |  |                          |
|                            |  |  |  |                          |
| Transactions               | 25,000   |  |  | 25,000                   |
|                            | <p><b>Strategy:</b> A reduction in transaction costs is being achieved through the procurement strategy, through changes in service contracts and through investment in new technology with more automated processes.</p> <p><b>Key actions:</b> 1. Review requirement for cash office at the town hall<br/> 2. Deliver e-government IT capital investment programme<br/> 3. Introduce purchasing cards</p>  |  |  |                          |
|                            |  |  |  |                          |
| Miscellaneous efficiencies | 0  |  |  | 0                        |
|                            | <b>Strategy:</b>   |  |  |                          |
|                            | <b>Key actions:</b>  |  |  |                          |
| <b>Total</b>               | <b>493,000</b>   | <b>16,000</b>                            | <b>5,000</b>                           | <b>310,000</b>           |