



**Belfast City Council**

<b>Report to:</b>	<b>Strategic Policy and Resources Committee</b>
<b>Subject:</b>	<b>Efficiency Programme Update</b>
<b>Date:</b>	<b>19 March 2010</b>
<b>Reporting Officer:</b>	<b>Julie Thompson, Director of Finance and Resources</b>
<b>Contact Officer:</b>	<b>Ronan Cregan, Improvement Manager</b>

**Relevant Background Information**

Members will recall that as part of the rate setting process for 2010/11 it was agreed that officers should continue to work with the Budget and Transformation Panel on the development of a medium term efficiency programme. The Strategic and Policy Resources Committee has stressed the importance of this work given that the organisation has already delivered £9m efficiency savings and the necessity to avoid the following risks when delivering further savings:

- Major conflicts between the drive for efficiency and having enough money to deliver Members' ambitions for the city;
- Damaging front line services; and
- Cutting services rather than realising genuine and sustainable efficiency savings.

This report provides Members with an update on progress in relation to the development of the efficiency programme.

**Key Issues**

**Efficiency Programme**

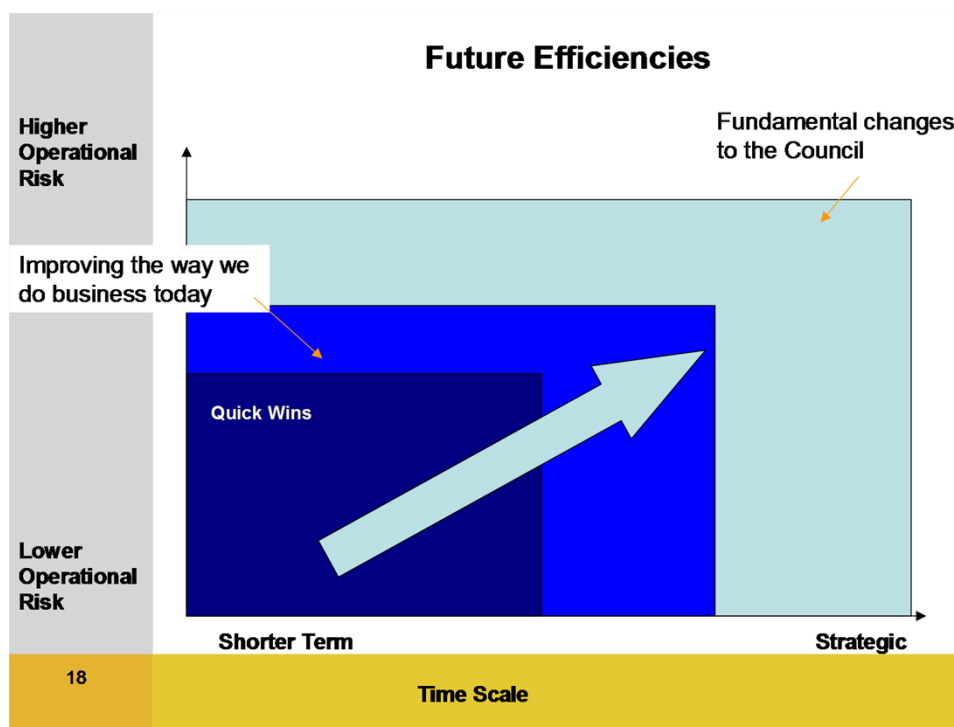
Over the past year Members have put in place many of the foundations which are needed for an organisation to deliver a programme of sustained efficiency savings (see Appendix One for details). Now that these foundations are in place, the Director of Finance and Resources has been working with the other directors, in liaison with the Budget and Transformation Panel to identify potential areas where further efficiency savings can be achieved. Through this work, a number of potential work streams have been identified. These are as follows:

- Assets and Land
- Procurement
- Challenge to Budgets
- ICT
- Service Reviews
- Income Generation

More detail on these potential work streams is provided at Appendix Two. Members should note these areas have also been identified as the key efficiency drivers in the latest HM Treasury report on efficiency. It is recommended that the efficiency programme is based on these areas and that a detailed programme of work for each be brought back to the Strategic Policy and Resources Committee in May for consideration by Members.

### Making Efficiency Happen

The diagram below shows that there is a limit to the amount of efficiency savings which can be achieved without making major changes to how the council operates. We have now reached the point where most of the quick wins have been captured. This means that for a sustained programme of efficiency to be delivered then, for the most part, efficiency and change will need to go hand in hand.



This means that alongside the efficiency programme there will also need to be an overall organisational development programme. This work will involve a range of issues such as developing the capacity of the organisation to cope with change, for example, through increasing flexibility and changing values and behaviours to be further aligned to efficiency and service transformation. It will also explore options for further collaborative working across both local government and the city and further integrate the linkages between efficiency

and performance management.

It is recommended that a further update report on the organisational development programme is brought to the Strategic Policy and Resources Committee in May 2010.

### **Scale of Efficiency Savings**

As well as deciding on the detailed proposals for the efficiency programme, Members will also need to consider the indicative target for efficiency savings to be delivered for future years, starting with 2011/12. This decision needs to be made in the context of the overall rate setting process for 2011/12 which has also been the subject of debate at the Budget and Transformation Panel. The minute of the March meeting of the Panel (which is included on today's agenda) shows that the Strategic Policy and Resources Committee will be asked to consider indicative rates and efficiency targets for 2011/12 at its meeting in May 2010.

### **Recommendations**

The Committee is asked to note the contents of the report and to agree to receive more detailed reports on the council's efficiency programme and organisational development programme in May 2010.

### **Decision Tracking**

### **Documents Attached**

Appendix 1 Efficiency Foundations  
Appendix 2 Potential Efficiency Programme Work Streams