

**BRIEFING ON EFFICIENCY PROGRAMME  
BUDGET AND TRANSFORMATION PANEL  
14 MAY 2010**

**Context**

Members will recall that at the Budget Panel and Strategic Policy and Resources Committee meetings in March 2010, it was agreed that further details on the council's efficiency programme would be provided in May.

The purpose of this report is to recommend an indicative efficiency target for 2011/12 and outline, for Members consideration, proposals as to how the target would be achieved within the already agreed efficiency work streams.

The report will also discuss the development of a programme which will enable further efficiencies to be delivered post 2011/12.

**Proposed Efficiency Programme 2011/12**

The table below summarises the proposed efficiency programme for 2011/12. As can be seen the recommended efficiency target is £1.7m. Each of the work streams is discussed in more detail below.

<b>Efficiency Work Stream</b>	<b>Estimated Savings</b>
Land and Assets	£200,000
Budgetary Challenge	£388,000
ICT	£195,000
Income Generation	£122,000
Procurement	£357,000
Service Review	£440,000
<b>Total</b>	<b>£1,702,000</b>

**Land and Assets**

The estimated level of savings is proposed to be delivered through an assessment of the current car parking arrangements in the context of the revised accommodation arrangements with the re-opening of the City Hall and the reduction of maintenance costs for the council's land bank.

**Budgetary Challenge**

One of the key strands of the efficiency programme is the challenge to the level of existing budgets where the expenditure is of a discretionary nature. A review of a number of budget headings of this type would indicate that £388,000 savings could be achieved. This will cover areas such as:

- The development of a centralised budget for advertising
- Office equipment and mobile phones
- Consultants
- Civic hospitality

## **ICT**

There are two key strands in this efficiency work stream. These are:

- Making better use of our current ICT systems such as the finance system which is known as SAP.
- Finding more efficient ways to provide and maintain the infrastructure which is required to support ICT, for example, making better use of new technology to store data.

## **Income Generation**

Three key areas of work are recommended for consideration within this work stream. These are:

- Review the potential for recovering a proportion of the costs of providing the bulky waste service through the introduction of a charge for the service;
- Review the current level of cemetery and crematorium charges;
- Review the charges for the use of council land to run events.

## **Procurement**

It is anticipated that £357,000 of procurement savings can be achieved for 2011/12. This target is proposed to be met through the use of the following:

- Buying goods and services with other public bodies so that bigger discounts can be obtained
- Putting in place more central contracts
- Monitoring spend to ensure that departments are using the agreed suppliers to buy from
- E-auctions to let contracts

Specific procurement areas will include:

- Utilities
- Computers
- Catering
- Photography
- Advertising

## **Service Review**

A major challenge for the organisation is to find ways to deliver better value for money services. Members have already made it clear that priority should be given to streamlining back office functions such as finance, HR, payroll, business support etc. It is recommended that work also includes how efficiency savings can be achieved in:

- (a) a review of working patterns in recycling centres;
- (b) a review of cost controls at the Zoo;
- (c) the removal of internal charges for support services such as facilities management and ISB so that budgets can be aligned better towards corporate priorities and improved service standards and VFM can be attained.

## **Efficiency Enablers**

Members also will wish to consider work which is currently underway or is required to start soon which will help to ensure that the council will continue to deliver efficiency savings post 2011/12.

The Director of Property and Projects is currently developing an asset strategy which will include proposals as to how the council can procure assets more efficiently and make best use of its existing assets. An update report on asset realisation will be brought to Strategic Policy and Resources Committee this month and a full report on an overall Asset Management Plan, to include maintenance (both Planned and Response) and replacement funding, will be brought to Budget Panel and Committee later in the year.

As part of an overall maintenance plan the Property and Projects Department will also propose a review of Facilities Management to the Budget Panel when the details have been agreed.

One of the key strands of the efficiency programme is procurement. Currently, the council has a Procurement Unit which is advisory in nature. If the council is to deliver a programme of sustained procurement savings then the role of the Procurement Unit will need to be adapted to meet this challenge. It is recommended that the Director of Property and Projects brings back a proposal for a review of the Procurement Unit to the Budget Panel.

One of the key ways which best practice councils support Members to make evidence based decisions in relation to efficiency matters is through the comparison of the VFM provided by council services with the performance of other councils. It is therefore recommended that one of the key tasks of the new Efficiency Unit will be to work with services to develop a suite of VFM indicators, where they currently do not exist, and to identify benchmark partners so that performance comparisons can be provided.

The Head of Human Resources together with the Head of Finance and Performance are currently developing a programme of work relating to the people aspects of the efficiency programme. This will include reviewing areas such as more flexible working arrangements and employee costs (including vacancy control, overtime, and agency employees).

A more detailed report on this work will be brought to the Budget Panel and the Strategic Policy and Resources Committee.

### **Recommendation**

It is recommended that the Budget Panel propose to the Strategic Policy and Resources Committee:

- an indicative efficiency target of £1.7m for 2011/12 and that more work is carried out during the summer to clarify the achievability of the target and the individual work streams which will make up the final target agreed as part of the rate setting process in the autumn. This will include further consideration and progress in the areas indicated above over the summer.
- the Director of Property and Projects brings a report to the Budget Panel on a proposal for a review of the Facilities Management Service which has responsibility for the maintenance of council assets.
- the Director of Property and Projects brings a report to the Budget Panel on a proposal for a review of the Procurement Unit.
- the Efficiency Unit works with services to develop a suite of VFM indicators, where they currently do not exist, and to identify benchmark partners so that performance comparisons can be provided.
- the Head of Human Resources / Head of Finance and Performance brings a report to the Budget Panel on the people aspects of the efficiency programme.