



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Efficiency Programme 2012/13
Date:	22 June 2012
Reporting Officer:	Ronan Cregan, Director of Finance and Resources
Contact Officer:	Mark McBride, Head of Finance and Performance

1.0	Relevant Background Information
1.1	The purpose of this report is to provide an update on the status of the 2013/14 Efficiency Programme and to provide an overview of the projects included on the Programme to realise a minimum £2m of cash savings, the agreed corporate target.
1.2	To date the Corporate Efficiency Programme has delivered savings of some £14m across the Council since 2006. The Strategic Policy and Resources Committee (SP&R) on 15 April 2011 agreed an indicative efficiency target of £2m per year for 2012/13, 13/14 and 14/15 to ensure that a total of £20m of efficiencies are realised in line with the Corporate Investment Programme agreed by SP&R on 20 January 2012.
1.3	As significant savings have already been secured over the past 6 years cash savings for 2013/14 have become more difficult to identify and take longer to realise as most of the more immediately identifiable cash saving projects have already been delivered. For these reasons work commenced in early January 2012 with departments to identify projects to be included on the 2013/14 Efficiency Programme. The structure of the Corporate Efficiency Programme will follow the previously agreed thematic headings suggested by the HM Treasury as the fundamental key drivers for developing successful efficiency programmes.
1.4	These themes are: <ul style="list-style-type: none">• Procurement• Assets & Land• Budgetary Challenge• ICT• Income Generation• Service Reviews/Employee Costs

2.0	Key Issues
	<p>Approach</p>
2.1	<p>To support of the 2013/14 Efficiency Programme corporate/thematic projects/activities have been identified under the agreed thematic headings including:</p>
2.2	<p>Service Review</p> <ul style="list-style-type: none"> • A corporate review of our use of agency staff, overtime and the management of vacancies commenced in February 2012 which will aim to identify the scope for employee efficiencies across BCC in terms of both cash savings and to identify how we will fund the creation of an additional 200 posts identified as a target in the Investment Programme within existing budgets. • A review of the council's internal marketing arrangements / resources during 2012/13 to assess the VFM of our current marketing arrangements across BCC which should rationalise and ensure better economies of scale resulting in efficiency savings in support of the corporate efficiency programme. • SP&R Committee (18 May 2012) approved a Review of Security for BCC with an emphasis on efficiency and VFM. The Efficiency Unit will be working closely with the Head of Facilities Management to deliver the review.
2.3	<p>Asset Management</p> <ul style="list-style-type: none"> • A VFM Review of Fleet Management has been completed and an improvement plan has been developed which when implemented should identify areas where significant capital savings (in the region of £1.5m) will be realised from a more efficient management and procurement approach to fleet provision. In relation to the implementation of this improvement programme the Property and Projects Department will be supported by the Efficiency Unit and this commenced in April 2012. A detailed report on the implementation of the fleet improvement plan is attached at Appendix A. • Further development of the Asset Management theme will continue under the direction of the Corporate Asset Management Board which has now been established. It has identified a series of key work streams in areas such as, office accommodation, property maintenance and estates management which will be focussing on maximising the utilisation of the council's assets to demonstrate VFM and potentially realise significant efficiencies over the next 3 years.
2.4	<p>Procurement</p> <ul style="list-style-type: none"> • The Efficiency Unit is currently working alongside the recently appointed Head of Contracts to facilitate the implementation of the improvement plan and recommendations emanating from the independent VFM review of procurement completed in 2011 by Brian Farrington Ltd. An improvement plan has been developed for this area which will support the Investment Programme and RPA. The recommendations from this review are considerable and once implemented will ensure that the council moves from being an operationally driven procurement function to one that ensures that a more strategic approach to procurement is taken and this should result in significant cash savings over the coming years, with a targeted saving of £700k by 2015. (Appendix B)

<p>2.5</p> <p>2.6</p> <p>2.7</p> <p>2.8</p>	<p>ICT</p> <ul style="list-style-type: none"> The Committee has already agreed to the development of a business case for the future use of mobile technology and it is anticipated that this work will provide substantial savings in areas such as printing and stationery costs. Further work is being done to support the delivery of further ICT procurement savings. <p>Income Generation</p> <ul style="list-style-type: none"> To date departments have been asked to identify innovative ways to generate additional income to contribute to achievement of the efficiency targets and this has included some initial collaboration work with other councils, for example on the advertising of local government sector vacancies. The growth of collaboration work will become a key feature of the efficiency programme in future years. <p>Budgetary Challenge</p> <ul style="list-style-type: none"> The financial performance of all services and departments for the year 2011/12 is currently being reviewed and this work will form the foundation for the annual review of all budgets. <p>What next for the Efficiency Programme 14/15 & 15/16?</p> <p>The approach to developing the programme further for 2014/15 and 2015/16 will continue under the same 6 thematic areas as suggested by the HM Treasury, but will become more corporate in nature and VFM review led. The programme will also seek to increase the efficiency opportunities through collaboration with other councils as part of the ICE programme stream of RPA. Priority areas identified for potential collaboration are:-</p> <ul style="list-style-type: none"> ICT Procurement Back Office Services Transaction Services Residual Waste Legal Services Provision <p>There will also be an internal focus on:-</p> <ul style="list-style-type: none"> Energy and Utilities Asset Management Procurement Service Reviews
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<p>3.0</p> <p>3.1</p>	<p>Resource Implications</p> <p>Conclusions</p> <p>An Efficiency Programme for 2013/14 has now been developed in collaboration with the departments and Trade Unions facilitated by the Corporate Efficiency Unit which will realise cash savings of £2m.</p> <p>A summary of how these savings will be realised per thematic area has been outlined in table one:</p>
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Table 1: 2013/14 Efficiency Programme	
Savings by Theme	
Theme	Efficiency
Assets and Land	£50,000
Budgetary Challenge	£632,000
ICT	£254,000
Income Generation	£230,000
Procurement	£594,000
Service Reviews	£240,000
Total	£2,000,000

4.0	Recommendations
4.1	Members are asked to approve the efficiency savings total of £2.m across the thematic areas included in table 1 for 2013/14.
4.2	Members are asked to agree the improvement plan for the recommendations arising from the review of the council's fleet provision (Appendix A).
4.3	Members are asked to note the update on the implementation of the procurement improvement plan (Appendix B).

5.0	Decision Tracking
The Head of Finance and Resources will ensure the implementation of the programme inclusion of the efficiency savings with 2013/14 revenue estimates.	

6.0	Key to Abbreviations
SP&R – Strategic Policy and Resources Committee VFM – Value for Money BCC – Belfast City Council AMB – Asset Management Board CMT – Corporate Management Team RPA – Review of Public Administration ICE – Improvement Collaboration and Efficiency	

7.0	Documents Attached
Appendix A – SP&R Report - Review of the Councils Fleet Provision Appendix B – SP&R Report – BCC Procurement Improvement Programme including alignment to the Investment Programme	