

CABINET

19 September 2007

PRINCIPAL SCRUTINY COMMITTEE

24 September 2007

EFFICIENCY STRATEGY & ANNUAL EFFICIENCY STATEMENT MONITORING 2007/08

REPORT OF HEAD OF REVENUES

Contact Officer- Gill Cranswick Tel No. 01962 848190, email gcranswick@winchester.gov.uk

RECENT REFERENCES:

CAB1495: Backward Look Annual Efficiency Statement 2006/07, 17 July 2007

CAB1469: Forward Look Annual Efficiency Statement 2007/08, 30 May 2007

PS279: Efficiency Update, 26 March 2007

PS271: Efficiency Update, 12 February 2007

CAB1387: Efficiency Update, 17 January 2007

PS264: Scrutiny Review – Efficiency Savings, 15 January 2007

EXECUTIVE SUMMARY:

The purpose of this report is to seek approval of the revised Efficiency Strategy (Appendix A). The Efficiency Strategy was approved by Cabinet in July 2006. It has been updated to reflect the integral part that Efficiency holds within the Council's 2010 agenda. The Efficiency Programme has also been developed to include a range of key projects that may deliver cashable savings.

The report also provides an update of the progress with identifying efficiency savings in the current year. Appendix B contains details of the quarter one position against the Annual Efficiency target. If savings are realised as estimated the Annual Efficiency target for this year will be met.

RECOMMENDATIONS:

To Cabinet:

1. That the revised Efficiency Strategy be approved.
2. That the progress at quarter one 2007/08 against the Annual Efficiency target be

noted.

To Principal Scrutiny Committee:

1. That Members consider whether there are any issues they wish to raise with the Leader or, if of significance, with Cabinet.

OTHER CONSIDERATIONS:

1 CORPORATE STRATEGY (RELEVANCE TO):

- 1.1 Identifying efficiencies supports the aim to *Ensure that we are efficient and offer value for money to local taxpayers.*

2 RESOURCE IMPLICATIONS:

- 2.1 Delivery of the cashable savings is a key element of achieving savings identified in the approved budget. The non cashable efficiencies assist in releasing staff time towards the Council's priorities in the Corporate Strategy as set out in the approved Divisional Business Plans.

BACKGROUND DOCUMENTS:

Working papers held in the Revenues Division.

APPENDICES:

Appendix A: Efficiency Strategy

Appendix B: Annual Efficiency Statement 2007/08 Q1 Monitoring

CAB1517



Winchester
City Council

Efficiency Strategy

2007 – 2010

September 2007

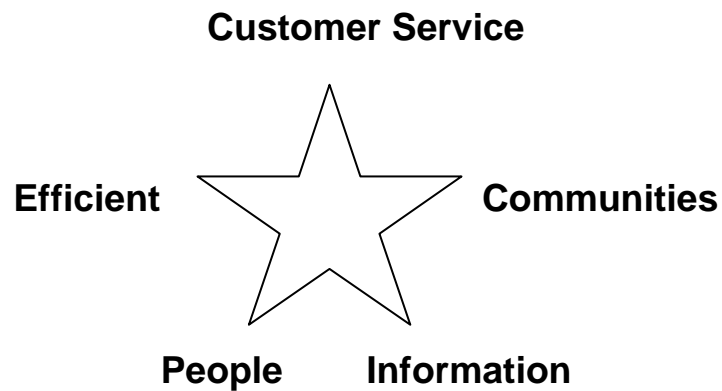
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Introduction

This Strategy supports the Council in achieving the outcome of being '*An Efficient and Effective Council*'.

Efficiency is an integral part of the Council's 2010 Vision -

*'We will deliver **Customer Service** we're proud of. In doing that, we will be **Efficient** and work with **Communities**. We will achieve that by employing the best **People** and managing **Information** so they can do their job.'*



Efficiency makes an essential contribution to the Council's arrangements for value for money and use of resources, to continuous improvement and best value and in the successful delivery of the Council's Corporate Priorities.

This Strategy provides information on the Council's approach to the efficiency agenda and sets out objectives for delivering value for money across the Council.

Value for Money

Value for money can be defined as the relationship between price, productivity and outcomes. It is a product of the

- price paid for the resources used in providing a service
- level of productivity achieved by those resources
- measure of the outcome achieved by the service.

Efficiency is achieved when value for money is high. This is when

- cost is low
- productivity is high
- outcomes are realised.

Aim

The aim of the Annual Efficiency Strategy is

“To maximise efficiency, to release resources to target Council priorities and to deliver high quality cost effective services.”

Objectives

Implement an Efficiency Programme

To improve use of resources, achieve valued for money and allow resources to be targeted at priorities.

Encourage Service Improvement

To support the Council's Performance Management framework.

Embed Efficiency

To embed efficiency by integrating it into business planning, financial planning, service delivery, performance and project management across the Council.

Efficiency Programme

The Council will develop and publish an Efficiency Programme (Appendix A). This will be achieved by challenging existing budgets and services and by identifying savings that will be available for use in accordance with priorities.

The Council will achieve sustainable efficiency gains from

- building the capacity of the organisation by ensuring that resources are used effectively and targeted at the appropriate services
- improving the performance of the Council, without increasing costs, by ensuring that systems are used effectively
- maximising procurement opportunities
- rationalising office accommodation
- investigating and, where appropriate, implementing partnership working such as supporting the shared services projects within the Hampshire & Isle of Wight Improvement Programme e.g. Planning, Taxes & Benefits and Waste Management.

Service Improvement

Performance management is key in ensuring that services are improving and are more efficient. Performance management is about good management, ensuring that Council and service priorities are achieved. It helps to

- prioritise what gets done and ensure there are sufficient resources to do it
- ensure the Council provides value for money
- motivate and manage staff
- identify and rectify poor performance at an early stage
- learn from past performance and improve future performance.

Embedding Efficiency

Efficiency is part of the day to day operation of the Council and should be embedded within corporate processes -

- Corporate Planning Process
Efficiency forms an integral part of the Council's medium and longer term service and financial planning cycles.

- Major Projects and Programmes of Work
This includes both capital and revenue projects such as major new IT systems and upgrades and new service areas.
- Business Planning
The business planning process provides a framework to deliver service improvement by identifying areas for service review, actions to reduce costs and or improve performance, and hence contributes to the identification and delivery of efficiency gains.
- Reviews
In addition to the business planning process a range of reviews including Cross Cutting Reviews, Overview and Scrutiny Reviews and Management Reviews.
- Corporate Procurement Process
The Council's approach to procurement as outlined in the Procurement Strategy makes a fundamental contribution to the efficiency agenda.

Efficiency Achievements

The Council's performance against efficiency targets can be demonstrated by its achievements against the Annual Efficiency Targets (Appendix B).

Key actions taken in 2006/07 to achieve efficiencies were

- continued focus on organisational development to ensure that resources are at the optimum level
- rationalisation in use of office accommodation
- reduction in staff absence due to sickness
- continued development of the website and the production of e-forms to increase self service
- consortium approach to procurement
- realisation of efficiencies following retender of the IMT Managed Services contract
- sustainable approach to the use of grounds maintenance materials
- sustained focus on risk management leading to reduced insurance premiums

Targets

The aim and objectives set down in this strategy will be translated into measurable targets and actions identified to deliver those targets.

Roles and Responsibilities

Responsibility for delivering the Strategy and for effective overall arrangements in respect of efficiency is shared by a number of individuals or groups.

The key accountabilities lie with -

Portfolio Holder (Finance and Resources)

Providing political leadership and setting the corporate priorities and local targets to be delivered by the Strategy.

Chief Executive

Responsible for the overall delivery and monitoring of the Strategy.

The lead operational role lies with –

Efficiencies & Value for Money Change Team Project Manager

Supporting Corporate Management Team with implementing the Strategy by developing an implementation plan; working across divisions to support efficiency initiatives; identifying barriers to improved efficiency; sharing best practice from within and outside the Council; encouraging officers to challenge current methods of service delivery and develop innovative new approaches; ensuring that the Strategy is regularly reviewed and updated.

The following individuals and groups also play a role -

Cabinet

Approving and monitoring the Efficiency Programme. Considering recommendations made by Principal Scrutiny Committee and scrutiny panels.

Corporate Directors

Collectively, responsible for supporting the Strategy and monitoring its implementation.
Individually, responsible for compliance with the Strategy in their respective Groups.

2010 Change Team

Supporting the Portfolio Holder, Corporate Management Team and Senior Management Group to deliver the 2010 Vision.

Senior Management Group

Collectively, responsible for supporting the Strategy and monitoring its implementation.

Heads of Division

Responsible for applying the Strategy and ensuring compliance within their service areas. Responsible for identifying potential efficiencies to be included in the Efficiency Programme and for maintaining and providing the appropriate evidence.

Scrutiny Process

Responsible for holding the Executive to account for delivering the Efficiency Programme and bringing forward recommendations for additional areas for efficiency savings for consideration by Cabinet.

Related Strategies

- 2010 Framework
- Financial Strategy
- Transformation Strategy (being drafted)
- Customer Access Strategy (being drafted)
- Procurement Strategy
- Sustainability Strategy

Related Documents

- Annual Efficiency Statements

Appendix A - Efficiency Programme

Efficiency Programme Targets		Target date for update / provision of business case with efficiency estimates	2007/08	2008/09	2009/10	2010/11	2011/12
			Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)
Major Projects		Lead Officer	£'000	£'000	£'000	£'000	£'000
Building the capacity of the organisation							
Implementing organisational development changes	Simon Eden		87	127	131	131	130
Grounds maintenance contract monitoring	Robert Heathcock	30 October 2007					
Improving the performance of the Council							
Ensuring a faster turnaround on void properties	Richard Botham		31	31	31	31	31
Reducing the percentage of transfers to HRA waiting list lettings	Richard Botham		80	80	80	80	80
Developing the Community Alarm Service	Richard Botham		35	35	35	35	35
Fundamental Service Reviews	Jacky Adams	19 September 2007					
Maximising Procurement opportunities							
Depot services contract	Bob Merrett	2009/10					

Efficiency Programme Targets		Target date for update / provision of business case with efficiency estimates	2007/08	2008/09	2009/10	2010/11	2011/12
			Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)
	Lead Officer		£'000	£'000	£'000	£'000	£'000
Implementing the internal print project	Sheila Davidge		0	11	11	11	11
Recruitment advertising - reduction in size of adverts	Alison Gavin	01 October 2007	11	11	11	11	11
Reducing expenditure on agency staff	Alison Gavin		50	50	50	50	50
Rationalising Office Accommodation							
Office moves (West Wing & Avalon)	Tony Langridge		0	40	40	40	40
New offices	Tony Langridge	01 January 2008					
Hyde	Tony Langridge		0	12	50	50	50
Implementing Partnership working							
Hampshire & IOW Improvement Partnership							
Planning (LDF - joint commissioning of work)	Steve Opacic		20	20	20	0	0
Projects under investigation							
Building the capacity of the organisation							
Extending the use of mobile working, home working and flexible working patterns	Alison Gavin	01 September 2007					

Efficiency Programme Targets		Target date for update / provision of business case with efficiency estimates	2007/08	2008/09	2009/10	2010/11	2011/12
			Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)
	Lead Officer		£'000	£'000	£'000	£'000	£'000
Using Business Process Reviews to identify more effective ways of working	Sheila Davidge	09 October 2007					
Maximising the use of the Customer Service Centre	Paul Wood	16 October 2007					
Business support review	Bob Merrett						
Improving the performance of the Council							
Maximising income generally	Gill Cranswick	01 November 2007					
Ensuring the most productive use of assets	Tony Langridge	01 April 2008					
Exploiting IMT systems	Sheila Davidge	09 October 2007					
Rationalising Office Accommodation							
West Wing lease buy out	Tony Langridge		0				
Maximising Procurement opportunities							
Spend Analysis	Jacky Adams	01 November 2007					
Statutory notice advertising	Jacky Adams	19 September 2007					
Implementing Partnership working							

Efficiency Programme Targets		Target date for update / provision of business case with efficiency estimates	2007/08	2008/09	2009/10	2010/11	2011/12
			Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)	Net Revenue Savings (excl. one off costs)
Lead Officer			£'000	£'000	£'000	£'000	£'000
Design & Print service provision	Bob Merrett						
Hampshire & IOW Improvement Partnership							
Revenues shared service provision	Gill Cranswick	01 December 2007					
Planning	Fiona Tebbutt	01 December 2007					
Test Valley & New Forest Partnership	Gill Cranswick	01 December 2007					
Waste Management	Bob Merrett	01 November 2007					
Wellbeing	Alison Gavin	01 November 2007					
Building Leadership & Management Capacity	Alison Gavin	01 December 2007					
Building Project Management Capacity	Alison Gavin	01 December 2007					
Regional Learning Portal	Alison Gavin	01 October 2007					
Regional Recruitment Portal	Alison Gavin		11	21	32	42	53
Member Development & Community Engagement	Chris Ashcroft	01 January 2008					
Procurement	Jacky Adams	01 November 2007					

Appendix B - Annual Efficiency Statement Backward Look 2006/07

	Ongoing gains sustained from 2005/06 (£)		Further gains achieved in 2006/07 (£)		...of which expected to be ongoing (£)		Cumulative gains as at end of 2006/07 (£)		
Title	Total gains	...of which cashable(£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	
Culture and sport	77,677	77,677	63,015	56,697	63,015	56,697	140,692	134,374	
	Key actions undertaken to achieve efficiency gain: Reorganisation of services to ensure that service delivery is fit for purpose. Reduction in sickness absence. Procurement of cleaning, catering and IMT services.								
Environmental services	60,169	60,169	115,249	87,001	33,456	25,828	175,418	147,170	
	Key actions undertaken to achieve efficiency gain: Consortium approach to procurement of recycling bins for the rollout of Alternative Bin Collection. Sustainable approach to the use of grounds maintenance materials.								
Local transport (non-highways)	9,027	9,027	90,496	85,219	90,496	85,219	99,523	94,246	
	Key actions undertaken to achieve efficiency gain: Reorganisation of services to ensure that service delivery is fit for purpose.								
LA social housing (other)	33,407	33,407	91,016	59,147	91,016	59,147	124,423	92,554	
	Key actions undertaken to achieve efficiency gain: Sustained focus on risk management leading to reduced payment to self insurance fund. Reduction in sickness absence. Procurement of IMT services.								
Supporting people	54,621	54,621	0	0	0	0	54,621	54,621	
Homelessness	5,167	5,167	0	0	0	0	5,167	5,167	
Corporate services	102,913	54,086	212,348	115,321	212,348	115,321	315,261	169,407	

	Ongoing gains sustained from 2005/06 (£)		Further gains achieved in 2006/07 (£)		...of which expected to be ongoing (£)		Cumulative gains as at end of 2006/07 (£)		
Title	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	
	Key actions undertaken to achieve efficiency gain: Development of the website and the production of e-forms to increase self service. Reorganisation of services to ensure that service delivery is fit for purpose.								
Procurement - goods and services	145,841	140,866	77,385	65,676	77,385	65,676	223,226	206,542	
	Key actions undertaken to achieve efficiency gain: Significant efficiencies following retender of the IMT Managed Services contract. Brought forward gains from 2005/06 increased to reflect understated amount previously claimed.								
Productive time	11,752	0	101,893	46,157	101,893	46,157	113,645	46,157	
	Key actions undertaken to achieve efficiency gain: Reduction in sickness absence. reduction in use of agency staff.								
Transactions	91,937	63,467	10,123	7,103	10,123	7,103	102,060	70,570	
Miscellaneous efficiencies	0	0	77,411	77,411	77,411	77,411	77,411	77,411	
	Key actions undertaken to achieve efficiency gain: Rationalisation in use of office accommodation.								
Total	592,511	498,487	838,936	599,732	757,143	538,559	1,431,447	1,098,219	
Target	529,000	265,000	529,000	265,000			1,058,000	530,000	

2007/08				Original estimate	Original estimate	Current estimate	Current estimate	Savings as at end of June	Savings as at end of June	Comment
AES category	Project	Responsible officer	Business Manager	Cash	Non Cash	Cash	Non Cash	Cash	Non Cash	
				£'000	£'000	£'000	£'000	£'000	£'000	
Corporate Services	Agency staff	Alison Gavin	Simon Howson	29		29		1.5		Q1 saving relates to appointment of permanent staff in Planning replacing agency staff who were used to fill vacancies. Use of Manpower contract started July 07
Corporate Services	Organisational development (CX)	Simon Eden	Gill Cranswick	8		0		0		
Corporate Services	Local Development Framework	Steve Opacic	Jo Ashwell	20		25		10		
Corporate Services	Insurance Programme	David Read	Gill Cranswick			18		18		Reduced premiums for specific items
Environmental Services	Grounds maintenance work	Rob Heathcock	Jo Ashwell		40		40		8	
Environmental Services	ABC/recycling	Rob Heathcock	Jo Ashwell	50		50		50		One off saving - procurement of bins
Environmental Services	Contract monitoring grounds maintenance	Rob Heathcock	Jo Ashwell	19		0		0		Project delayed
LA Social Housing	Agency staff	Alison Gavin	Simon Howson	21		21		0		Use of Manpower contract started July 07
LA Social Housing	Faster turnaround on void properties	Richard Botham	Jo Ashwell	31		79		23		Continued improvement in performance
LA Social Housing	reducing % of transfers to HRA waiting lists	Richard Botham	Jo Ashwell	80		78		45		
LA Social Housing	Community Alarm Service	Richard Botham	Jo Ashwell	35		21		4		
Procurement	Printer project	Sheila Davidge	Gill Cranswick	40		0		0		Implementation started late August
Procurement	Telephone calls	Sheila Davidge	Gill Cranswick	10		10		0		Delays with preferred supplier. Moving to another supplier.
Procurement	CRM system support	Sheila Davidge	Gill Cranswick				13	13		Change in supplier
Productive time	Office moves (Avalon & West Wing)	Tony Langridge	Simon Howson		30		37		5	Saving based on staff time spent travelling between Avalon and City Offices
Productive time	Self service internal post	Paul Wood	Simon Howson				17		3	
Productive time	Planning reception move to City Offices	Paul Wood	Simon Howson				4		1	
Productive time	Revenues - improved processes	Gill Cranswick	Gill Cranswick		16		16		4	
Productive time	BPR	Sheila Davidge	Gill Cranswick		20		0		0	Project delayed until new system implemented
Productive time	Weekly planning lists	Fiona Tebbutt	Simon Howson	7		7		1.75		
Transactions	Payment cards for Council Tax payers	Gill Cranswick	Gill Cranswick	5		5		1.25		
Sub total				355	106	356	114	168	21	

2007/08 Full year impact of 2006/07 part year efficiencies				Cash	Non Cash	Cash	Non Cash	Cash	Non Cash	Comment
AES category	Project	Responsible officer	Business Manager	Cash	Non Cash	Cash	Non Cash	Cash	Non Cash	
				£'000	£'000	£'000	£'000	£'000	£'000	
Corporate Services	Address technician post	Sheila Davidge	Gill Cranswick	2		8		2		
Corporate Services	CSC reorganisation	Paul Wood	Simon Howson	9		9		2.25		
Corporate Services	D&P reorganisation	Alexis Garlick	Gill Cranswick	4		4		1		
Corporate Services	Athelstan vacation	Tony Langridge	Simon Howson	27		17		4.25		
Environmental Services	Environment reorganisation	Rob Heathcock	Jo Ashwell		22		22		5.5	
Productive time	Local Taxes processes	Gill Cranswick	Gill Cranswick		2		2		0.5	
Productive time	Mobile phones	Sheila Davidge	Gill Cranswick		4		4		1	
Sub total				42	28	38	28	10	0	
Total				397	134	394	142	177	21	
Grand Total				531		536		198		
Target				531		531		133		