

**AGENDA MANAGEMENT SHEET**

**Name of Committee** Cabinet

**Date of Committee** 06 April 2006

**Report Title** 2006/07 to 2008/09 Medium Term Efficiency Plan

**Summary** The report seeks members' approval of the medium term efficiency strategy and plan. It provides a forecast level of efficiency gains that are expected to be achieved in 2006/07 that will be submitted to the government in the authority's 2006/07 Forward-Looking Annual Efficiency Statement.

**For further information please contact:** Michael Furness  
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**Would the recommended decision be contrary to the Budget and Policy Framework?** No.

**Background papers** None

**CONSULTATION ALREADY UNDERTAKEN:-** Details to be specified

- Other Committees  .....
- Local Member(s)  .....
- Other Elected Members  Cllr Tandy, Cllr Roodhouse – for information
- Cabinet Member  Cllr Farnell, Cllr Cockburn – approved for circulation
- Chief Executive  Jim Graham – for information
- Legal  David Carter – for information
- Finance  David Clarke – reporting officer
- Other Chief Officers  .....
- District Councils  .....
- Health Authority  .....

Police  .....

Other Bodies/Individuals  .....

**FINAL DECISION YES**

**SUGGESTED NEXT STEPS:**

Details to be specified

Further consideration by this Committee  .....

To Council  .....

To Cabinet  .....

To an O & S Committee  .....

To an Area Committee  .....

Further Consultation  .....

## Cabinet - 6 April 2006

### 2006/07 to 2008/09 Medium Term Efficiency Plan

### Report of the Strategic Director of Resources

#### Recommendation

Cabinet are asked to:

- ◆ Approve the Medium Term Efficiency Strategy, attached at Appendix A,
- ◆ Approve the Medium Term Efficiency Plan, attached at Appendix B,
- ◆ Note the forecast of efficiency gains for 2006/07,
- ◆ Approve the draft 2006/07 forward-looking Annual Efficiency Statement attached at Appendix D for submission to the Government, and
- ◆ Authorise the Strategic Director of Resources, in consultation with the Leaders and Chief Executive to make any changes necessary to the 2006/07 Forward-Looking Annual Efficiency Statement prior to its submission to the government on 18 April 2006.

## 1 Introduction

- 1.1 As part of the Government's efficiency planning agenda the County Council is required to deliver efficiency gains of 2.5%, half of which must be cashable, each year from 2005/06 to 2007/08. Therefore, the County Council is expected to produce savings of £6.750million, of which £3.375million must be cashable each year. Over the three year period the total level of efficiency gains the County Council is expected to deliver is £20.250 million of which £10.125 million must be cashable.
- 1.2 The whole efficiency planning process was introduced at the last minute for 2005/06. However, the impetus to deliver efficiencies not only to meet the Government's target but also to balance the budget on an annual basis is now, if not a permanent, then certainly a medium to long-term feature of our performance management framework. To recognise this the report proposes an efficiency strategy and a medium term efficiency plan for approval.
- 1.3 Formally, as part of the government's efficiency planning agenda, the County Council, along with all other local authorities, must submit a plan to the government of the efficiency gains it expects to achieve in the coming year in the form of a forward-looking Annual Efficiency Statement (AES). The content of this statement flows directly from the efficiency strategy and medium term plan being proposed. The report therefore goes on to inform Cabinet of the

planned efficiency gains for 2006/07 and seeks Cabinet's approval to submit the forward-looking AES to the government.

- 1.4 It should be noted that none of the information in this report includes efficiency gains in either the fire service or in schools. Both of these are subject to separate arrangements, reporting directly to the relevant government department. The planned 2006/07 efficiency gains for the fire service are part of a separate report on today's agenda. Any benefits from the corporate initiatives attributable to the fire service are reflected in that report.

## **2 Medium Term Efficiency Strategy**

- 2.1 As a starting point to developing a planned approach Strategic Directors considered a medium term efficiency planning strategy. It is structured around the six key issues that will determine the success of the agenda to deliver new ways of working. Cabinet are asked to approve the strategy agreed by the Strategic Directors and shown in **Appendix A**.

## **3 Medium Term Efficiency Plan**

- 3.1 As part of the medium term strategy of generating efficiency gains through a structured process, Strategic Directors also considered a plan to help deliver efficiencies over the next 3 years. The Medium Term Efficiency Plan, attached at **Appendix B** outlines the results of these considerations. It proposes that efficiencies to deliver the strategy are comprised of three elements:

- Large-scale projects, designed to deliver new ways of working, that will also deliver specified efficiency gains in both cash and quality terms. These projects flow directly from the approved strategy.
- Smaller scale initiatives in service directorates that are undertaken to deliver improvement in service quality and/or deliver cost savings and meet the efficiency savings targets set as part of the budget process.
- Cost-Performance driven projects that flow from the evaluation of the cost and performance data produced by District Audit as part of their CPA Value for Money assessment process.

### **3.2 Large-Scale Corporate Projects**

To date the only genuinely corporate projects included in the Annual Efficiency Statements have been improving absence management and the increased use of the County Council's website. However, as the focus of the organisation moves towards delivering new ways of working this should change. The proposed Medium Term Efficiency Plan highlights a number of projects that will deliver new ways of working and generate efficiencies that it is suggested be undertaken over the next three years. The level of efficiency gains that will be able to be generated and the point at which the efficiencies will begin to be realised are currently being assessed.

### 3.3 Service-Led Projects

Service-led projects are carried out annually in line with improvements that each service wishes to make in the way it carries out its role. A high proportion of the efficiencies generated should be cash backed in order for directorates to meet their annual efficiency savings targets set by Council.

### 3.4 Value for Money Projects

The third strand of the efficiency strategy is to undertake a few projects with the objective of either reducing costs whilst maintaining performance (where the service appears to have a high absolute cost base relative to other shire counties) or improve performance (where performance appears to be below average for the level of investment compared to other shire counties).

As part of the preparation of the CPA Value for Money assessment an overview comparing our relative performance and cost across all services was undertaken. This work is summarised in **Appendix C**. Strategic directors considered this information and propose a three year programme of value for money reviews be undertaken as follows:

- 2006/07 - Adult Social Services and Economic Development
- 2007/08 - Libraries and Traffic Management and Road Safety
- 2008/09 - Children's and Families Services

Before any of this work is started there will be a further report, via Strategic Directors, outlining in more detail both the process and scope of any review. This is felt to be essential as changes in both the level of performance and the definition of performance indicators themselves means that, since the original analysis was undertaken and especially around good performance in traffic management and road safety, the picture appears to have changed. This on-going review of the plan will ensure that scarce resources are directed at those areas where there is the greatest potential improvement in value for money.

## 4 2006/07 Annual Efficiency Statement

- 4.1 The 2006/07 forward-looking AES anticipates total efficiency gains of £6.972 million, of which £5.842 million are cashable. Table 1 summarises these planned efficiency gains. The draft 2006/07 forward-looking AES can be seen at **Appendix D**.
- 4.2 A process of verifying the planned efficiency gains included in the draft 2006/07 AES is still being undertaken as is the process of defining the efficiency strategy at service level, where relevant. Therefore Cabinet are asked to approve the draft 2006/07 AES as shown in **Appendix D** and authorise the Strategic Director of Resources in conjunction with the Leaders and Chief Executive to update this to reflect any additional information available between now and 18 April 2006 when the formal submission is made to the ODPM.

<b>Table 1: 2006/07 Planned Efficiency Gains</b>		
Service Area	2006/07 Forward -Looking AES	
	Total £000	Cashable £000
Adult Social Services	883	710
Children's Services	880	880
Culture and Sport	100	100
Environmental Services	58	58
Local Transport	90	90
Non-School Education	1,610	1,511
Supporting People	200	200
Corporate Services	193	193
Procurement	166	166
Productive Time	264	0
Transactions	599	5
Miscellaneous	1,929	1,929
<b>Total</b>	<b>6,972</b>	<b>5,842</b>

## 5 Overall Progress to Date

- 5.1 The information in this report indicates we are on course to meet the required 2006/07 efficiency gains target of £6.750 million. This needs to be put into the overall context of where the authority is compared to the overall target of achieving 7.5% on-going efficiency gains by the end of 2007/08.
- 5.2 In June 2005 we submitted an annual efficiency statement to the government showing gains in 2004/05 of £6.393 million. Local authorities are allowed to count gains made in 2004/05 towards the overall target. The 2005/06 mid-year update included a further efficiency gains in 2005/06 of £4.951 million. If these were delivered according to plan the authority would be £4.594 million ahead of the target at the end of 2005/06. The forecast efficiency gains of £6.972 million in the 2006/07 Forward-Looking AES will see the County Council exceeding its overall target for 2006/07 and be well advanced towards delivering the £20.250 million required by 2007/08. The overall progress to date against the target is shown in more detail in Table 2 below.

<b>Table 2: Progress on Meeting the Efficiency Gains Target</b>						
Year	Cumulative Total Efficiency Gains			Cumulative Cash Efficiency Gains		
	Gov't Target £m	Achieved/ Forecast To Date £m	Balance To Find £m	Gov't Target £m	Achieved/ Forecast To Date £m	Balance To Find £m
2004/05	-	6.393	-	-	3.077	-
2005/06	6.750	11.344	-4.594	3.375	6.558	-3.183
2006/07	13.500	18.316	-4.816	6.750	12.400	-5.650
2007/08	20.250	19.189	+1.061	10.125	13.134	-3.009

DAVID CLARKE  
Strategic Director of Resources

## 2006/07 to 2008/09 Efficiency Strategy

### Strategy for securing efficiency gains

We have a culture of continually reviewing what we do and more importantly why we do it. Our annual budget process has, for over a decade, required all services to deliver a 2.0% to 2.5% annual improvement in cost effectiveness - making the delivery of efficiency gains an integral part of our corporate planning processes. This will continue. To supplement this we have in place a modernisation programme to transform the culture and services of the organisation to provide whole organisation solutions for whole communities.

Our efficiency gains will come from a number of key corporate, crosscutting initiatives, designed to deliver new ways of working. The areas on which we will be focusing are:

- Redesigning services to focus on the customer and making sure everything we do is focused on the outcomes we achieve for them.
- Empowering staff by developing a culture of creativity and innovation
- Providing staff with the right tools, the right equipment and the right working environment.
- Working with partners in a common cause to deliver outcomes to the public.
- Restructuring of the organisation and ways of working to tackle those issues that cut right across the organisation.

These will be supplemented by specific service-led projects and a programme of service reviews specifically focussed on improving value for money.

### Key actions to be taken

The planned actions that will contribute towards the delivery of service improvements and to deliver new ways of working have been identified.

#### Delivering customer focussed services

- We will develop the customer service centre to provide a service capable of resolving 80% of enquiries first time.
- We will improve face-to-face contact through first stop/one stop shops, located in the main centres of population.
- We will improve access in remote areas through mobile facilities.
- We will provide equivalent services where possible through the Warwickshire website and promote self-help take-up.

#### Delivering empowerment

- We will enable staff to work more flexibly in terms of time and location.
- We will improve communications and information flows through the "Working for Warwickshire" campaign.

### **Delivering an efficient working environment**

- We will provide more extensive and improved customer service access through the development of new, electronically enabled channels.
- We will provide consistent, high quality, low cost service responses, through all access channels.
- We will facilitate the re-engineering of front/back office services to streamline and e.enable workflows.
- We will enable information to be shared within the organisation and with others more easily and securely and enable business-to-business transactions to be carried out electronically.
- We will aim to reduce absence levels to the median level of other shire counties in 2005/2006 and by 2006/2007 to the upper quartile performance level for such authorities.
- We will keep under review the assets we hold and will dispose of any assets considered surplus to deliver the maximum benefit for the people of Warwickshire.
- We are committed to implementing electronic solutions to support improved procurement and will seek to trade electronically with suppliers.
- We will seek to reduce off-contract expenditure to a minimum.
- We will rationalise our property office portfolio to consolidate accommodation into the four or five areas of largest population across the County.
- We will introduce “work style” which involves providing only eight workstations to ten officers, requiring more hot desking.

### **Delivering successful partnership working**

- We will continually aim to maximise the benefits we derive from assets we hold using innovative and partnership approaches with the private sector to secure additional benefits.
- We will actively pursue external funding, including income opportunities, sponsorship, grant and partnerships seeking to lever in additional resources to supplement our own funds.
- We will strive to maximise our buying power by aggregating requirements both internally and externally seeking to work in collaboration wherever it is beneficial and appropriate to do so.

### **Delivering a modern organisational structure and effective decision-making**

- We will restructure the organisation to provide an efficient and effective structure for decision-making.

### **Delivering improvements in efficiency through specific service-led initiatives**

- We will seek to re-engineer our services to focus on lower cost and/or higher benefit alternatives.
- We will implement the recommendations of the libraries “building for the future review” and the review of the mobile library service.



## Proposed Medium Term Efficiency Plan

The medium term efficiency plan is comprised of three separate elements:

- ❑ Efficiencies derived from corporate projects designed to deliver new ways of working
- ❑ Efficiencies from service led projects initiated by departments to deliver both service improvements and make the cash savings target included in the annual budget and medium term financial plan, and
- ❑ Efficiencies to be delivered through longer-term reviews to specifically target areas where our costs relative to our performance do not appear to provide the best value for money.

### Projects to Deliver New Ways of Working

The medium term projects to deliver new ways of working are listed below. A brief project outline is to be prepared by the lead officer by 31 March 2006. This will include, as a minimum, an outline of the work to be undertaken, a responsible officer, the forecast efficiency gains in terms of cash efficiencies or quality improvements, timescales for when the project will start, finish and any efficiencies be delivered.

Corporate Modernisation Project	Timescale to Deliver Efficiencies			Lead Officer
	2006/07	2007/08	2008/09	
<b>Organisational Restructure</b>	✓ £700,000 forecast	✓	✓	Strategic Director of Resources
<b>Customer Service Centre:</b> <ul style="list-style-type: none"> <li>❑ Remove the back office systems that were in place prior to CSC.</li> <li>❑ Roll it out and locate in the North of the County</li> </ul>	✓	✓	✓	Head of Customer Service and Access
<b>One Stop/First Stop Shops:</b> <ul style="list-style-type: none"> <li>❑ Improve face-to-face contact through first stop/one stop shops, located in the main centres of population.</li> <li>❑ Overcome the need for multiple locations.</li> </ul>		✓	✓	Head of Customer Service and Access
<b>Continued Website Development:</b> <ul style="list-style-type: none"> <li>❑ E-enable services</li> <li>❑ Provide equivalent services where possible through the Warwickshire website</li> <li>❑ Self-Service for both public and employees by using technology to its full potential.</li> </ul>	✓ £594,000 forecast	✓	✓	Head of Communications

Corporate Modernisation Project	Timescale to Deliver Efficiencies			Lead Officer
	2006/07	2007/08	2008/09	
<b>Corporate Intranet:</b> <ul style="list-style-type: none"> <li>❑ Essential to maximising use of information and facilitating access to shared systems and storage</li> <li>❑ Paperless office.</li> <li>❑ All information and files would need to be accessible electronically We will introduce “work style” which involves providing only eight workstations to ten officers, requiring more hot desking</li> </ul>			✓	Head of Change Management
<b>E-working:</b> <ul style="list-style-type: none"> <li>❑ Use PCs as ‘the office’ in-tray, workstation and out tray that can be accessed anywhere</li> <li>❑ Remote working – blackberries, PDAs etc</li> <li>❑ Conference calling/Video conferencing</li> </ul>	✓	✓	✓	Head of ICT
<b>Management of Sickness Absence:</b> <ul style="list-style-type: none"> <li>❑ Reduce absence levels to the median level of other shire counties in 2005/2006 and by 2006/2007 to the upper quartile performance.</li> </ul>	✓ £264,000 forecast	✓	✓	Head of Human resources
<b>Agency Staff/Interim Management/Joint Recruitment Bank:</b> <ul style="list-style-type: none"> <li>❑ Economies of scale achievable through a strategic partner to source and provide staff and interim managers across the County Council.</li> <li>❑ Potential for a Joint Recruitment Bank developed with Coventry City Council and Solihull MBC; recognising that we are all targeting the same pool of staff, ought we be able to have generic recruitment.</li> </ul>		✓	✓	Head of Human resources
<b>Procurement:</b> <ul style="list-style-type: none"> <li>❑ Establish framework contracts to get better deals on the utilisation of conference facilities across the County.</li> <li>❑ Work on a bigger scale, new partners, use trading powers, establish companies etc</li> <li>❑ Reduce off-contract spending to a minimum</li> </ul>	✓	✓	✓	Head of Finance

Corporate Modernisation Project	Timescale to Deliver Efficiencies			Lead Officer
	2006/07	2007/08	2008/09	
<b>LAAs/Partnership Arrangements:</b> <ul style="list-style-type: none"> <li>❑ Customer Relationship Management (CRM) System to be integrated with District Councils and Borough Councils</li> <li>❑ Identifying key partners and removing duplication to provide seamless service to the customer</li> <li>❑ Joined up working/partnering arrangements both within the County Council and with other organisations – to include back office services and other services that could benefit from such arrangements.</li> <li>❑ Ensure benefits from all partnership arrangements are clearly identified</li> </ul>			✓	Head of Customer Service and Access

## Service-Led Projects

The service-led projects designed to deliver efficiency gains in 2006/07 are listed below. A tick in the years 2007/08 and 2008/09 means the efficiency is on-going and the efficiency will be reassessed in future years to see if the gain has increased.

Service Area	Corporate Modernisation Project	Timescale to Deliver Efficiencies			Lead Officer
		2006/07 £000	2007/08 £000	2008/09 £000	
Adult, Health and Community Services	<b>Adult Residential Care Performance Improvement</b>	300	✓	✓	Head of Older People
	<b>Transport</b>	100	✓	✓	Head of Resources
	<b>Modernising the Structure of Adult, Health and Community Services</b> <ul style="list-style-type: none"> <li>• Organise the directorate in a more efficient manner than was in place under the old structure of the council.</li> </ul>	300	✓	✓	Strategic Director of Adult, Health and Community Services
	<b>Commissioning and Contracting</b>	100	✓	✓	Head of Resources
	<b>Homecare Management Costs</b>	100	✓	✓	Head of Older People

## Appendix B

Service Area	Corporate Modernisation Project	Timescale to Deliver Efficiencies			Lead Officer
		2006/07 £000	2007/08 £000	2008/09 £000	
	<b>Social Services Temporary Staff</b> <ul style="list-style-type: none"> <li>Employing one supplier to deliver all temporary staff for Social Services efficiency</li> </ul>	83	✓	✓	Head of Finance
	<b>Supporting People</b>	200	✓	✓	Head of Older People
<b>Children, Young People and Families</b>	<b>General Savings Target</b> <ul style="list-style-type: none"> <li>Modernising current ways of working within Children, Young People and Families.</li> </ul>	1,713	✓	✓	Head of Resources
	<b>HRMS</b> <ul style="list-style-type: none"> <li>The redeployment of staff who had previously been involved in this project allowing growth of other services.</li> </ul>	200	75	45	Head of Resources
	<b>Children's Act Project Team</b> <ul style="list-style-type: none"> <li>The redeployment of staff who had previously been involved in this project allowing growth of other services.</li> </ul>	203	125	✓	Head of Resources
	<b>Management Restructure</b> <ul style="list-style-type: none"> <li>The Education Department reassessed their structure and have redistributed the roles of two members of management who are retiring.</li> </ul>	190	✓	✓	Head of Resources
	<b>Tighter Monitoring of the Capital Programme</b> <ul style="list-style-type: none"> <li>Quicker reaction to funding issues and faster uptake of opportunities resulting in less resources being required to pay for any shortfalls in the capital programme.</li> </ul>	100	✓	✓	Head of Resources
	<b>Communications</b> <ul style="list-style-type: none"> <li>Increasing use of electronic communications has led to a reduction of physical printing produced by the directorate.</li> </ul>	60	✓	✓	Head of Resources
	<b>County Music Service</b> <ul style="list-style-type: none"> <li>Maintaining the same level of performance without increasing budgets</li> </ul>	24	✓	✓	Head of Resources

## Appendix B

Service Area	Corporate Modernisation Project	Timescale to Deliver Efficiencies			Lead Officer
		2006/07 £000	2007/08 £000	2008/09 £000	
Environment and Economy	<b>Improved contracts for fridge disposal</b> <ul style="list-style-type: none"> <li>An improved procurement contract for the disposal of fridges</li> </ul>	10	✓	✓	Head of Waste and Environment
	<b>Increased recycling and composting</b> <ul style="list-style-type: none"> <li>By increasing the levels of recycling and composting carried out the amount of landfill tax that must be paid can be reduced.</li> </ul>	48	✓	✓	Head of Waste and Environment
	<b>Travel and Subsistence</b> <ul style="list-style-type: none"> <li>Creating a planned approach to all travelling carried out by the directorate and hence reducing the amount of trips.</li> </ul>	90	✓	✓	Head of Skills, Tourism and Economy
Resources	<b>E-procurement</b> <ul style="list-style-type: none"> <li>Email of orders and remittance advices to save on costs of printing and postage</li> </ul>	5	3	5	Head of Strategic Resources Development
	<b>Mobile Phones Contract</b> <ul style="list-style-type: none"> <li>Improved corporate contract for mobile phone charges</li> </ul>	50	✓	✓	Head of Finance
	<b>Disposal of Surplus Assets</b> <ul style="list-style-type: none"> <li>Through receiving capital receipts for surplus assets we can avoid taking out additional borrowing for future capital projects and hence avoid the interest charge.</li> </ul>	1,169	404	208	Head of Property
	<b>Bruton Knowles</b> <ul style="list-style-type: none"> <li>Reduce amount of work done externally and absorb this internally at a reduced cost.</li> </ul>	30	✓	✓	Head of Property
	<b>Improved Use of Office Space</b> <ul style="list-style-type: none"> <li>Through the use of office space in a more efficient manner, the ratio of office space to staff will fall.</li> </ul>	✓	✓	✓	Head of Property

## Appendix B

Service Area	Corporate Modernisation Project	Timescale to Deliver Efficiencies			Lead Officer
		2006/07 £000	2007/08 £000	2008/09 £000	
	<b>Redistribution of Work</b> <ul style="list-style-type: none"> <li>As staff retire their work is redistributed to other members of staff within the department, or staff are recruited at a lower grade.</li> </ul>	30	✓	✓	Head of Property
	<b>PC Contract</b> <ul style="list-style-type: none"> <li>Negotiating a standstill contract price in the maintenance of all of the Council's PCs.</li> <li>Reductions in the unit price paid for desk tops and laptops</li> <li>Negotiating a reduced charge for the service of PCs</li> </ul>	193	✓	✓	Head of ICT
	<b>Procurement</b> <ul style="list-style-type: none"> <li>Procurement of temporary professional staff through 1 corporate contract</li> <li>Negotiating increased prices from the ESPO contract at below the rate of inflation</li> <li>Developing a standard contract for the procurement of all venues used for training resulting in reduced prices and greater consistency in venue quality/suitability.</li> <li>Least Cost Call Routing</li> </ul>	25	75	✓	Head of Finance
		34	✓	✓	
		23	25	✓	
		34	✓	✓	

### Value for Money Projects

Initially we will progress projects in those service areas that are below the expected level in terms of their costs relative to their performance (i.e. those below the diagonal line on Appendix D on today's report). The analysis to date has only been at a very high level and therefore before any review can be fully scoped further analysis is needed. It is proposed that a report is brought back to a subsequent meeting, via Strategic Directors, outlining how this work would be taken forward if it is agreed such projects should go ahead and the justification for including the project remains relevant. The resource intensity of such work means a maximum of two projects will be taken forward in any one year. The draft programme of projects is:

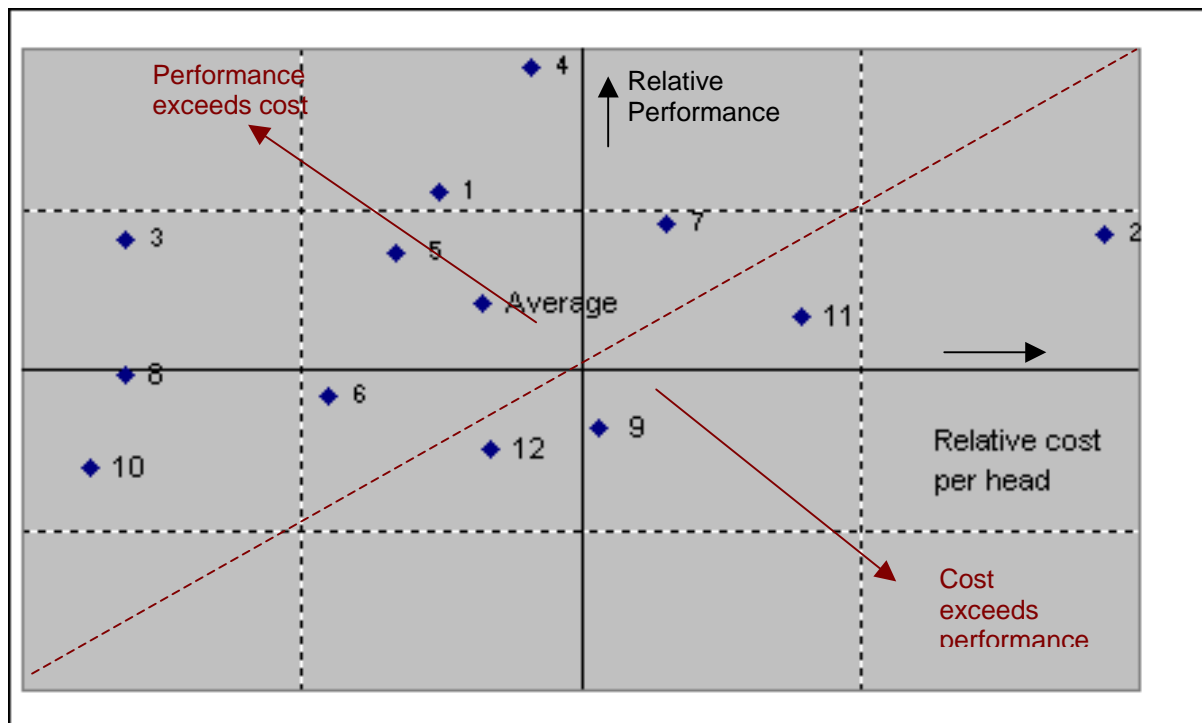
2006/07: Adult Services and Economic Development  
 2007/08: Libraries and Traffic Management and Road Safety  
 2008/09: Children's and Families Services

## Value for Money Overview - Comparison of Performance and Spend

The graph below provides an indication of the value for money provided by our services. It shows a comparison of relative spend per head against relative performance. The brown dotted line marks the boundary between those services whose cost exceeds performance and vice versa. The methodology outlining the rationale behind the graph is shown below.

It shows that 8 out of 12 service areas lie in the area where performance exceeds spend indicating that the County Council provides good overall value for money as an authority.

Looking in more depth at those services that are either below the diagonal line or the relative cost per head is to the right of the vertical axis would be as useful starting point.



### Key

Service	Reference	Service	Reference
Average for all WCC services	Average		
Heritage, Tourism and Open Spaces	1	Special Education	7
Libraries	2	Roads & Bridges	8
Waste Disposal	3	Traffic Management & Road Safety	9
Planning	4	Public Transport	10
Primary Education	5	Children & Families Services	11
Secondary Education	6	Older People & Adult Services	12

## Forward Looking 2006/07 Annual Efficiency Statement

### Strategy for Securing Efficiency Gains

We have a culture of continually reviewing what we do and more importantly why we do it. Our annual budget process has, for over a decade, required all services to deliver a 2.0% to 2.5% annual improvement in cost effectiveness - making the delivery of efficiency gains an integral part of our corporate planning processes. This will continue. To supplement this we have in place a modernisation programme to transform the culture and services of the organisation to provide whole organisation solutions for whole communities.

Our efficiency gains will come from a number of key corporate, crosscutting initiatives, designed to deliver new ways of working. The areas on which we will be focusing are:

- Redesigning services to focus on the customer and making sure everything we do is focused on the outcomes we achieve for them.
- Empowering staff by developing a culture of creativity and innovation
- Providing staff with the right tools, the right equipment and the right working environment.
- Working with partners in a common cause to deliver outcomes to the public.
- Restructuring of the organisation and ways of working to tackle those issues that cut right across the organisation.

These will be supplemented by specific service-led projects and a programme of service reviews specifically focussed on improving value for money.

### Key Actions to be taken during the year

The planned actions that will contribute towards the delivery of service improvements and to deliver new ways of working have been identified.

#### Delivering customer focussed services

- We will develop the customer service centre to provide a service capable of resolving 80% of enquiries first time.
- We will improve face-to-face contact through first stop/one stop shops, located in the main centres of population.
- We will improve access in remote areas through mobile facilities.
- We will provide equivalent services where possible through the Warwickshire website and promote self-help take-up.

#### Delivering empowerment

- We will enable staff to work more flexibly in terms of time and location.
- We will improve communications and information flows through the "Working for Warwickshire" campaign.



### **Delivering an efficient working environment**

- We will provide more extensive and improved customer service access through the development of new, electronically enabled channels.
- We will provide consistent, high quality, low cost service responses, through all access channels.
- We will facilitate the re-engineering of front/back office services to streamline and e.enable workflows.
- We will enable information to be shared within the organisation and with others more easily and securely and enable business-to-business transactions to be carried out electronically.
- We will aim to reduce absence levels to the median level of other shire counties in 2005/2006 and by 2006/2007 to the upper quartile performance level for such authorities.
- We will keep under review the assets we hold and will dispose of any assets considered surplus to deliver the maximum benefit for the people of Warwickshire.
- We are committed to implementing electronic solutions to support improved procurement and will seek to trade electronically with suppliers.
- We will seek to reduce off-contract expenditure to a minimum.
- We will rationalise our property office portfolio to consolidate accommodation into the four or five areas of largest population across the County.
- We will introduce “work style” which involves providing only eight workstations to ten officers, requiring more hot desking.

### **Delivering successful partnership working**

- We will continually aim to maximise the benefits we derive from assets we hold using innovative and partnership approaches with the private sector to secure additional benefits.
- We will actively pursue external funding, including income opportunities, sponsorship, grant and partnerships seeking to leverage in additional resources to supplement our own funds.
- We will strive to maximise our buying power by aggregating requirements both internally and externally seeking to work in collaboration wherever it is beneficial and appropriate to do so.

### **Delivering a modern organisational structure and effective decision-making**

- We will restructure the organisation to provide an efficient and effective structure for decision-making.

### **Delivering improvements in efficiency through specific service-led initiatives**

- We will seek to re-engineer our services to focus on lower cost and/or higher benefit alternatives.
- We will implement the recommendations of the libraries “building for the future review” and the review of the mobile library service.

	<b>Expected Annual Efficiency Gains (£)</b>	<b>...of which cashable (£)</b>
<b>Adult Social Services</b>	883,000	710,000
	<p><u>Strategy:</u> Our focus for improving the effective use of resources is to change the overall balance of care for older people between long term residential care and community based services</p> <p><u>Key Actions:</u> Improved performance in adult residential care Improved performance from social services transport Commissioning and Contracting Homecare management costs Full year effects from the introduction of a procurement contract for social services temporary staff Value for Money review of Adult Social Services</p>	
<b>Children's Services</b>	880,000	880,000
	<p><u>Strategy:</u> Through increasing the ratio of looked after children through foster carers as opposed to placing them in higher cost residential care</p> <p><u>Key Actions:</u> 'New ways of working' throughout Children's Services</p>	
<b>Culture and Sport</b>	100,000	100,000
	<p><u>Strategy:</u> Address the relative high cost of the Libraries Service within Warwickshire County Council</p> <p><u>Key Actions:</u> Review current management structure within the Libraries Service and redistribute work.</p>	
<b>Environmental Services</b>	58,000	58,000
	<p><u>Strategy:</u> To reduce the amount of landfill disposed of by the council and redirect this to other schemes such as recycling and composting.</p> <p><u>Key Actions:</u> Recycling and incineration – avoiding the purchase of landfill credits Negotiating better value contracts for the disposal of fridges Improving the planning of travelling around the county so that multiple trips are not necessary</p>	

	<b>Expected Annual Efficiency Gains (£)</b>	<b>...of which cashable (£)</b>
<b>Local Transport</b>	90,000	90,000
	<u>Strategy:</u>  <u>Key Actions:</u> Reduction in amount of travelling required through a more structured approach to planning off-site visits.	
<b>Non School Education</b>	1,610,000	1,511,000
	<u>Strategy:</u>  <u>Key Actions:</u> Resources that had been used to fund specific projects are coming to an end and the resources can be redirected elsewhere Improved monitoring of the capital programme has led to a reduction in the level of revenue costs required to fund overspends in the capital programme	
<b>Supporting People</b>	200,000	200,000
	<u>Strategy:</u>  <u>Key Actions:</u> 'New ways of working' throughout Supporting People	
<b>Corporate Services</b>	893,000	893,000
	<u>Strategy:</u>  <u>Key Actions:</u> Restructuring the Council to modernise and generate 'new ways of working' Standstill contract for PC maintenance at 2005/06 prices	
<b>Procurement</b>	166,000	166,000
	<u>Strategy:</u>  <u>Key Actions:</u> Full year effects from the introduction of least cost call routing Negotiation of cheaper call prices for the use of mobile phones Recruitment of temporary staff from one corporate contract Corporate contract for goods increasing at lower rate than inflation Introduce corporate contract for the hiring of conference venues	

	<b>Expected Annual Efficiency Gains (£)</b>	<b>...of which cashable (£)</b>
<b>Productive Time</b>	264,000	0
	<u>Strategy:</u>  <u>Key Actions:</u> Reduction in levels of staff absence	
<b>Transactions</b>	599,000	5,000
	<u>Strategy:</u>  <u>Key Actions:</u> Further development of the website enabling a greater amount of queries to be answered without staff intervention E-mailing orders and remittance advices	
<b>Miscellaneous</b>	1,229,000	1,229,000
	<u>Strategy:</u>  <u>Key Actions:</u> Disposal of surplus assets Redistribution of work as staff retire Absorbing increased levels of work internally resulting in less work being externalised.	
<b>Total</b>	6,972,000	5,842,000