

UPDATE ON GERSHON EFFICIENCIES

Director/Head of Chief Executive
Department:
Report Author: Hilary Mitchell

Recommendation: That OSC Management Committee notes the report.
--

1. BACKGROUND

- 1.1 In 2004, under the Gershon programme, the Government set targets for all public sector bodies to find 2.5% efficiencies over their baseline spending for 2004/5. To assist with this each local authority was set a target to achieve over each of the following three years. Copeland was required to find £920,000 of cashable and non-cashable efficiencies over the three years of the Gershon programme.

2. ISSUES TO BE CONSIDERED

- 2.1 The targets set by Government for the period 2005/8 included at least 1.25% in cashable efficiencies, and were regulated by guidance as to where efficiencies could be found, what can and cannot be included in calculating the efficiencies.
- 2.2 At the outset of the Gershon programme the Council had already agreed plans to outsource Housing Management, Valuation, Sport and Leisure and Community Contact Centre. Realising the efficiencies from these produced most of the efficiencies that the Council has claimed against its targets.
- 2.3 The detail of the Council's achievement is set out in Annex A to this report. Based on these unaudited figures the Council will have overachieved against its targets.
- 2.4 In the Comprehensive Spending Assessment 2007 (CSR07) the Government announced that public sector organisations would be expected to make a further 3% cashable efficiencies in each of the next three years. No financial targets are to be set, but progress against the objective will be measured against a new performance indicator. The efficiencies are anticipated to arise from increased use of technology, shared services, business process re-engineering and procurement improvements.

2.5 The Council has identified £302k efficiencies from services as part of its budget preparations for 2008/9 and has therefore substantially met its first year's requirement under CSR 07. In addition it appears from Government guidance on calculating efficiency gains in future, that because the Council over-achieved against its 2004 target by £162k of cashable efficiencies these can be counted each year against the requirement for 2008-11. Notwithstanding this progress, the Council will have to continue to ensure that it is operating more efficiently and achieving greater value for money in 2009/10 and 2010/11 by taking a more strategic approach to managing its operations.

3. CORPORATE PLAN

Achieving the Gershon targets is an objective in the Corporate Plan.

4. BENCHMARKING

In total local government has more than achieved its Gershon target of £6.45bn ahead of the schedule.

5. PUBLIC CONSULTATION AND PUBLICITY

There has been no specific consultation and publicity relating to Copeland's Gershon efficiency programme.

6. CONCLUSION

Although Copeland Borough Council continues to find ways to improve its services, in the area of achieving ongoing efficiencies it has performed creditably and in line with local government generally.

List of Appendices: Copeland Borough Council: Gershon Programme Workstreams -for Three Years 2005/8

List of Background Documents:

- AES - Measuring and Reporting Gains
- Efficiency technical note (ETN) for Local Government
- Delivering Efficiency in Local Services - Further Guidance for Local Authorities
- Measuring and Reporting Value for Money Gains -January 2008

List of Consultees: Cllr Giel, Corporate Team

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	None
Impact on Sustainability	None
Impact on Rural Proofing	None
Health and Safety Implications	None
Impact on Equality and Diversity Issues	None
Children and Young Persons Implications	None
Human Rights Act Implications	None

GERSHON PROGRAMME WORKSTREAMS-FOR THREE YEARS 2005/8
Updated at 31 December 2007

Ref	Workstream	Forward Look Proposals Based on Govt guidance	Targ et 05/06	Targ et 06/07	Targ et 07/08	TOTAL	Lead Officer	How Can It Be Measured	Progress at : 4 June 2007
1	Culture and Sport	Continue development of Sport and Leisure Trust for future provision of cultural services;	£3k [c]	£57k [c]	£57k [c]	£117k[c]	Keith Parker	Budget requirement – savings from competitiveness	Implemented April 2006
2	Environmental Services	Waste Management- street cleaning 3% improvement in performance against BV199	nil	£20k [n/c]	£200 k [n/c]	£220k	Keith Parker	BV199	Already better than target.
4	Homelessness	Joint approach with Allerdale BC, saving in management costs	nil	nil	£2k [n/c]	£2k	Mike Tichford	Management time	Joint working with Allerdale BC is well-developed. Single representation for West Cumbria at meetings being an example of efficiencies. Each authority is taking a lead on particular issues on behalf of West Cumbria.
5	Corporate Services	Outsourcing of Valuation Service to Capita	£15k [c]	£15k [c]	£15k [c]	£45k	Sue Bamforth	Budget requirement	Complete Transferred 2004. Budget reduced by £15k as part of resource reallocation 2004/05 budget process. Retendered March 2006.
6		Corporate Restructure	£100 k [c]	£50k [c]	£50k [c]	£200k [c]	Liam Murphy	Budget requirement (final accounts)	Restructure in place.
7		Complete outsourcing of “Careline” customer contact centre	£20k [c]	£175 k[c]	£175 k[c]	£370k[c]	Mike Tichford	Budget requirement	Transferred 3 January 2006
8		New cheque procedures	£5k [n/c]	£5k [n/c]	£5k [n/c]	£15k [n/c]	Sue Bamforth	Budget	Contract let and implementation started

Ref	Workstream	Actions	Targ et 05/06	Targ et 06/07	Targ et 07/08	TOTAL	Lead Officer	How Can It Be Measured?	Progress at : 12 April 2007
9	Procurement	Efficiency savings through achieving IEG targets on eProcurement and eTendering	£5k [n/c]	£10k [n/c] £3.5k [c]	£10k [n/c] £3.5k [c]	£25k [n/c] £7k [c]	Sue Bamforth	PIT to look at procurement processes (Buildings , hire car costs, fleet costs)	Complete Public buildings help desk outsourced from end Sept 2005. All public buildings orders/invoices now electronic. Some electronic quotations. Saving in time postage and printing of paper. All service departments to use electronic furniture form. Procurement post filled
		Introduction of new arrangements for printing, photocopying and buying paper	nil	nil	£45k [c]	£45k [c]	Sue Bamforth	Budget reduction	Rationalisation in use of printers, leading to reduction in cost of consumables, paper and maintenance. Small reduction in cost of business car hire
11	Productive Time	Create and deliver a plan to reduce problem sickness absence	nil	£50k [n/c]	£30k [n/c]	£80k [n/c]	Hilary Mitchell	BVPI12	Priorities for sickness absence identified: plan created; sickness information provided to managers, with further update reports planned; long term sickness cases reviewed; managers reminded about need for Return to Work interviews; and training provided; Occupational Health provision reviewed; task group set up.
12		Remote working	nil	nil	£5k [n/c]	£5k [n/c]	Hilary Mitchell	Travel time, measured through mileage claims	Pilot in place 1 April 2006; extended to include mobile working Jan 07
13	Transactions	Increased use of ePay	nil	£15k [c]	£15k [c]	£30k [c]	Sue Bamforth & Jane Salt	No. of payments; no. of posts	Agreed provider Civica for cash receipting. Live March 2006. Efficiency from equivalent to a post
16	Miscellaneous Efficiencies	Cash savings found from 2004/5 and 2005/6 budgets, including reduction in use of office paper, reduced contributions to crèche and West Cumbria Development Agency	£47k [c] complete	nil	nil	£47k [c]	Sue Bamforth	Budget	Complete
17		Interest on capital receipts	£104 k [c]	£55k [c]	£62k [c]	£221[c]	Sue Bamforth	Final accounts	Capital receipts continuing to be realised.
	TOTAL		£299 k	£455. 5k	£674. 5k	£1429			

