

GERSHON EFFICIENCY AGENDA

**OSCPR150306
ITEM 6**

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Introduction

In 2004 the Government announced targets for all of the public sector to make £23bn efficiency savings over the next three years. Local Government was expected to find £6bn of this and each local authority was given its own target, in the case of Copeland BC £930k by 31 March 2008, or £310k per year. At least half of this should be cashable (ie result in reduced budget requirement in one area, for reinvestment in a front-line service)

The first statement of what the Council estimated it would be able to save in 2005/6 (£310k) was submitted in April 2005, and was refreshed in a return to ODPM in November 2005. In addition a return was made to ODPM in June 2005, to flag up efficiencies that had been made in 2004/5 which could count towards the target.

The first year's statement 2005/6 of estimated efficiencies was not audited, but it is clear that plans for subsequent years will be formally audited.

2005/6 Position

It is clear that, among the positive aspects of the year's achievements in finding efficiencies, the Council will meet its efficiency target over three years. A number of plans have been added to the Gershon programme since the first forward look in April 2005 which have reinforced the position. This includes taking the efficiencies from the corporate restructure and allowing for the interest on capital receipts. Taking a view from late in 2005/6 it is probable that we will have found more than the target set for us over the full three years.

We have learnt from the experience of monitoring the first efficiency statement that the estimates of efficiencies drawn up in the first statement in April 2005 were in some cases unrealistic. This is not because the Council thought it would be able to realize greater efficiencies than now seems possible, but that we thought that progress would be more rapid than has been the case. Several of the plans it proposed in April 2005 were reliant on work transferring from back office to front office or customers being able to self-serve using the website during 2005/6. These plans are not as far advanced as anticipated and have not yet generated measurable efficiencies.

Plans for finding efficiencies throughout 2005 have needed resources both to develop projects and for activities which when complete would release efficiencies. Examples of these are reducing the cost of agency staff in 2005/6 from £6,000 to nil. The use of agency staff has increased significantly in 2005/6. Some of this spend has been on staff to implement IEG solutions, although much of this has come out of capital funding. However in addition agency staff have been used in Benefits and other services to cover for vacancies during the restructure phase and other shortages of staff.

Some of the projects we anticipated in 2005/6, including strengthening a corporate approach to managing sickness absence, have been difficult to deliver on, because of resource issues, due in part to the restructure, and also in some cases to a lack of reliable, easily interrogated information. The situation on both of these areas is expected to improve in 2006/7.

Detail on Projects Included in Gershon 3 Year Plan

The full three year Gershon efficiency plan is attached at Appendix A. An explanation of the plans is given below.

<u>No</u>	<u>Forward Look Proposal</u>	<u>Timescale</u>
1	Development of Sport and Leisure Trust – project on target- the comparative cost of delivering the service directly compared with through a not-for-profit trust allows efficiencies to be generated from savings on fuel.	Due to commence 1 April 2006
2	Work migrating from back office to front office (waste collections) – use of Copeland Direct and customers booking service through the website generates efficiencies through more streamlined process	Waste management front line service to Copeland Direct to start by 1 April
3	Waste management –3% improvement in street cleaning performance against BV199 is allowed as efficiency of 1/32 of Council's street cleaning budget in 2006/7 and 2007/8	Available from 1 April 2006
4	Homelessness – Working jointly with Allerdale BC on the strategic housing function should reduce the costs of tackling homelessness to both councils	Not likely to yield efficiencies until 2007/8
5	Outsourcing Valuation to Capita- already complete. Reduction in costs	Already in place
6	Corporate Restructure –has allowed a reduction in the salary budget of £165k in 2005/6, due to vacancies, appointments made later than anticipated and reduction of xx posts	Efficiencies available from 2005/6
7	Outsourcing of Careline customer contact centre which in a full year will save £175k	Efficiencies available from 3 January 2006
8	Make greater use of the Council's website by transferring some transactions to allow customers to self serve for information, advice, application forms etc.	Limited range of services available already, which will be added to during 2006/7
9	The Council's cheques are now produced through laser print technology saving £5k pa	Already in place
10	A range of measures for procuring services using electronic means has enabled £10k pa efficiencies. These include the	Already in place

public buildings helpdesk, furniture orders, e-quotations and e-auctions. The savings arise from savings in printing, postage and administration

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| 11 | The Council's sickness absence is in the lowest quartile for local authorities. A plan identified a number of actions to tackle the issue which includes: review of long-term sickness; information provision to managers; reminders about return to work interviews; inclusion in training for managers; review of Occupational Health service provision; now need to set up task group | Work started in 2005/6, but limited impact. Task group to start work in March 2006 |
| 12 | Review use of agency staff – the Council's annual costs for use of agency staff are usually relatively low, however in 2005/6 a number of projects have been in progress, including IEG and the Benefits improvement plan which have necessitated a much high spend than usual. Over the remaining two years of the Gershon target period the spend should regularise, and there will be opportunities to restrict spend, resulting in a saving | Stronger guidance to managers for 2006/7 to limit the use of agency staff |
| 13 | The remote working proposals that the Council has been considering have the potential to make some efficiencies, in accommodation costs and in increases in productive time. The pilot which is being considered by Executive on 21 February will give more information about where the efficiencies will arise | Pilot to start 1 April 2006. Efficiencies anticipated from car allowances and e-enabled processes from using new technology. Ultimately accommodation costs may yield savings |
| 14 | Increased use of ePay – introduction of Civica payments system to reduce administration | System to be introduced from March 2006; |
| 16 | Implementation of MVM in Planning – the introduction of MVM as a management system for Planning allows an opportunity for review of how planning applications are processed to ensure that maximum benefit is obtained from the Council's investment. It is anticipated that this will give rise to efficiencies through elimination of paper-based administration and duplication | System to be introduced from March 2006. |
| 18 | Miscellaneous efficiencies covers a number of small savings brought forward from 2004/5, including a reduction in the use of office paper | Already in place |
| 19 | Interest on capita receipts – the rules covering the Gershon efficiency agenda permit the inclusion of interest on capital receipts as a cashable efficiency, which over the three year period is estimated to contribute £223k cashable towards the Council's target | Already in place, with estimates for each year of Gershon targets |

GERSHON WORKSTREAMS-PROPOSALS FOR THREE YEARS 2005/8

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 : 31 December 2005
1	Culture and Sport	Continue development of Sport and Leisure Trust for future provision of cultural services;	£3k [c]	£60k [n/c] £3k [c]	£60k [n/c] £3k [c]	£120k [n/c] £9k [c]	Keith Parker	Budget requirement	Tenders evaluated and recommendations to Executive early February. Implement April 2006
2	Environmental Services	Work migrating from back office to front office (waste collections)	nil	£10k [n/c]	£10k [n/c]	£20k	Keith Parker	PIT efficiency findings	PIT project almost complete
3		Waste Management- street cleaning 3% improvement inn performance against BV199	nil	£20k [n/c]	£20k [n/c]	£40k	Keith Parker	BV199	System in place to measure performance against BV199, and already showing required level
4	Homelessness	Joint approach with Allerdale BC, saving in management costs	nil	nil	?£5k [c]	?£5k	Mike Tichford	Budget requirement	Discussions in progress with Allerdale BC to develop joint Housing Strategy approach
5	Corporate Services	Outsourcing of Valuation Service to Capita	£15k [c]	£15k [c]	£15k [c]	£45k	Sue Borwick	Budget requirement	Complete Transferred 2004. Budget reduced by £15k as part of resource reallocation 2004/05 budget process
6		Corporate Restructure	£165 k [c]	£50k [c]	£50 [c]	£265k [c]	John Stanforth	Budget requirement	Final report due early 2006 to complete structure.
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		Make greater use of website by transferring some transactions to allow more customer self-service (eg information giving)	nil	nil	£25k [c]	£25k [c]	Hilary Mitchell	Web technology used to measure "hits"	New Council website now live and improvements planned. CCP EForms project will be introduced over the coming months.
9		New cheque procedures	£5k [n/c]	£5k [n/c]	£5k [n/c]	£15k	Sue Borwick	Budget	Contract let and implementation started

Ref	Workstream	Actions	Targ et 05/06	Targ et 06/07	Targ et 07/08	TOTAL	Lead Officer	Efficiency Measures	Progress at : 31 January 2006
10	Procurement	Efficiency savings through achieving IEG targets on eProcurement and eTendering	£5k [n/c]	£10k [n/c]	£10k [n/c]	£25k	Sue Borwick	PIT to look at procurement processes	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 to be filled
11	Productive Time	Create and deliver plan to reduce problem sickness absence	£5k [n/c]	£30k [n/c]	£50k [n/c]	£85k	Hilary Mitchell	BVPI 12	Priorities for sickness absence management identified; plan created; sickness information provided to managers, with further update reports planned; long term sickness cases reviewed with plans to tackle each; managers reminded about need for Return to Work interviews & training planned; current Occupational health provision reviewed; task group to be set up;
12		Review use of agency staff	£6k[c]	£6k[c]	£6k [c]	£18K [c]	Hilary Mitchell	Budget requirement	Target not met. Increase in agency staff to meet IEG and other priority targets. Capital/revenue split??
13		Remote working	nil	£5k [n/c]	£10k [n/c]	£15k [n/c]	Hilary Mitchell	Accommodation costs	Proposal for pilot to be considered by Executive 21 February
14	Transactions	Increased use of ePay	nil	£7.5k [c]	£15k [c]	£22.5k [c]	Sue Borwick & Jane Salt	PIT to devise efficiency measure	Agreed provider Civica for cash receipting. Goes live March 2006. Efficiency from equivalent to a post
15		Implementation of MVM	nil	nil	£10k [c]	£10k [c]	Mike Tichford	Revenue budget requirement	PIT working with planning service to ensure efficient process once MVM fully in use

Ref	Workstream	Actions	Targ et 05/06	Targ et 06/07	Targ et 07/08	Total	Lead Officer	Efficiency Measures	Progress at : 31 December 2005
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] compl ete	nil	nil	£50k [c]	Sue Borwick	Budget	Complete
17		Interest on capital receipts	£104 k [c]	£97k [c]	£13k [c]	£214[c]	Sue Borwick	Budget	
	TOTAL		£375 k	£492. 5k	£482 k	£1349.50 k			