

	<p style="text-align: center;">Executive 14th November 2005</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Resources</p>
For Action	Wards Affected: ALL
<p style="text-align: center;">Efficiency Programme Progress Report</p>	

Forward Plan Ref: F&CR-05/06-10

1.0 Summary

- 1.1 This report sets out progress on the council's efficiency programme which was set up to enable implementation of the recommendations of the Independent Review of Public Sector Efficiency by Sir Peter Gershon.
- 1.2 The report sets out the background to the efficiency programme, progress on developing the programme, the communications strategy, key challenges, and next steps. It asks the Executive to endorse the proposed use of the £250k spend to save fund allocated in the 2005/06 budget and to agree the mid-year submission to ODPM on progress against targets in the 2005/06 Annual Efficiency Statement, which the Executive approved on 11th April 2005.

2.0 Recommendations

- 2.1 The Executive:
 - notes progress on the efficiency programme set out in this report (section 4 and Appendix 1);
 - endorses the Efficiency Board's recommendations on use of the £250k spend to save fund (paragraph 4.4);
 - endorses the communication strategy set out in this report (section 5 and Appendix 2);
 - notes the key challenges (section 6);
 - agrees the submission of the mid-year progress report against targets in the 2005/06 Annual Efficiency Statement (section 7 and Appendix 3);

- agrees the next steps (section 8).

3.0 Background to the Efficiency Programme

3.1 The background to the Efficiency Programme has been set out in previous reports. Salient points are as follows:

- It arose from the Gershon Review which reported as part of the 2004 Spending Review.
- Target gains from efficiency measures have been set by central government. Brent's target is £20.6m by 2007/08 (£10.3m cashable, £10.3m non-cashable).
- The council produced both a forward looking annual efficiency statement in April and a backward looking annual efficiency statement in July, both of which showed we were achieving government targets for 2004/05-2005/06 (the backward looking statement showed Brent as having the third highest efficiency gains in the country as a proportion of budget).
- The council has had to demonstrate delivery of value for money as part of the Use of Resources judgement for CPA and will also have to do so for the Corporate Assessment due in January 2006.
- The council can demonstrate from existing information that we are delivering value for money but we want to do more to (1) enable services to Brent residents to continue to improve, and (2) achieve this within a much tighter financial environment than in recent years.
- We have therefore set up an Efficiency Board, chaired by the Director of Finance and Corporate Resources, to deliver real improvements in efficiency through being more effective at procurement, making support services more efficient and effective, reviewing the way we carry out transactions and manage our customer interface, and finding ways of making more productive use of staff time.

4.0 Progress so far

4.1 The Efficiency Board set up a number of task and finish groups to identify potential projects in each of the main Gershon work-streams i.e. procurements, support services, transactional services, and productive use of staff time. These groups, which consisted of staff across the organisation, identified a prioritised list of potential projects for each work-stream.

4.2 The Efficiency Board has agreed a list of projects that it wishes to pursue. These are listed at Appendix 1. The projects are divided between those to which the Efficiency Board has given the go ahead, those on which the Efficiency Board wants more information, and those which the Efficiency Board has decided not to pursue. The main reason for the Efficiency Board deciding not to pursue individual projects was not that they do not have merit but in most cases they are already well underway and are being delivered through other mechanisms. The Efficiency Board will monitor efficiency gains from

these projects in addition to the ones that are included as an integral part of the efficiency programme.

- 4.3 Detailed project programmes are being put together for each of the projects that have been given the 'green light'. The project programmes will include target levels of efficiency gains over the next three years.
- 4.4 The Efficiency Board has also provisionally allocated funding for projects within the programme from the £250k one-off spend-to-save pot set up as part of the 2005/06 budget. The proposed allocation is as follows:
- £68k directly to projects
 - £60k to support programme and project management
 - £20k to fund IT support for projects
 - £50k to fund work on procurement projects
 - £52k not currently allocated but subject to further bids.

Funding is on a 'spend to save' basis. The medium term financial strategy includes provision for repayment of the £250k over the next three years. The Executive is asked to endorse the allocation of funds set out above.

5.0 Communications strategy

- 5.1 A communications strategy has been developed, with the following principal aims:
- To increase staff awareness in the Gershon/efficiency agenda
 - To increase staff interest and awareness in developing more efficient, streamlined services at Brent
 - To encourage staff to recognise efficiency gains as a positive aspect of working life – how we do our jobs influences how we change as an organisation
 - To promote the green agenda
 - To promote areas where good efficiency practice is already having an impact and how relevant the efficiency agenda is to staff – individually and as the council 'family'
 - To demonstrate to residents the impact of efficiency gains, improved service delivery and value for money
 - To disseminate information on the Efficiency Programme, and its results, to Members, the government and as best practice examples to other local authorities.
- 5.2 Key aspects of the strategy are as follows:
- internal communication, including articles in the staff magazine (Insight), a dedicated page on the intranet site, and an Improving Brent seminar (at which the key-note speaker was Barry Quirk, Chief Executive at Lewisham and the local government efficiency champion);

- external communication, including articles in The Brent Magazine, keeping Members informed through the Members' Bulletin and regular reports to the Policy Co-ordination Group and the Executive, and networking with other authorities/national bodies.

5.3 The key messages being developed as part of the communication strategy are as follows:

- For staff:
 - o Working smarter
 - o Cutting red tape
 - o Making a difference
 - o 'Small actions = big changes
 - o Your ideas matter
- For the public:
 - o Brent Council – giving you more for your money
 - o Brent Council – listening and delivering
 - o Listening to you – delivering for you
 - o Spending wisely – working smarter

5.4 Appendix 2 includes a list of the actions that are being undertaken as part of the communications strategy.

6.0 Key challenges

6.1 Key challenges the council faces in delivering the programme are as follows:

- The size of the agenda. The Efficiency Board has reduced the number of projects but the agenda is still very large;
- Identifying resources to deliver the projects. Most of the projects are on top of the 'day job'. The £250k 'spend to save' funding is being used to put in place an infrastructure - e.g. project management – to deliver the projects. But there will need to be a significant input from service units who will not necessarily see this as their top priority;
- Member and public engagement. A lot of the efficiency agenda is about 'how' we deliver services and not 'what' we deliver. Improving efficiency is something Members and the public want, but securing interest in the process of delivering that improvement will not be easy. The communications strategy is key to this;
- Expectation of quick wins and visible efficiency gains. A lot of the efficiency gains from the projects will take time to deliver and will in many cases be through better ways of working and not always visible in the form of 'cashable' savings;
- Policy implications. Some of the largest potential opportunities of efficiency gains as a result of more efficient and effective working have significant policy implications, for example, the review of the customer inter-face. Difficult decisions will have to be taken in

some areas if efficiency gains are to be realised. Effective communication with the public, and staff, will be required;

- Changes to the way we deliver services. There are significant change management issues arising from a number of the projects, which amongst other things will have an impact on staff. Changes have to be well planned, there has to be engagement with staff and unions, and there have to be resources in place to ensure changes are effectively executed;
- Government expectations. We have so far been successful in complying with government expectations, including producing annual efficiency statements that demonstrate we are meeting government targets and responding to the need to demonstrate VFM as part of the CPA process. But the government also appear increasingly likely to use the Gershon agenda as a reason for keeping tight control over increases in local government funding. This means we will increasingly depend on delivering real efficiency gains as part of the Gershon agenda to ensure we can continue funding services at their current level.

7.0 Annual Efficiency Statement – Mid-Year Review

7.1 At its meeting on 12th April 2005, the Executive agreed the forward looking Annual Efficiency Statement for 2005/06. The council also submitted a backward looking Annual Efficiency Statement setting out efficiency improvements in 2004/05 in mid-June (up-dated, following closure of accounts at the end of July).

7.2 The council is required to submit a progress report to the ODPM by 17th November. This is set out in Appendix 3.

7.3 Key points are as follows:

- Forecast efficiency gains in 2005/06 are £6.365m, compared with a target set out in the forward looking Annual Efficiency Statement of £3.895m;
- The cumulative total of efficiency gains in 2004/05 and forecast for 2005/06 is £17.188m, compared to a government target for Brent of £6.870m;
- Of total cumulative efficiency gains of £17.188m, £14.269m are cashable and £2.919m are non-cashable.

7.4 The Executive is asked to agree the submission of the mid-year review of progress against targets in the Annual Efficiency Statement.

8.0 Next steps

8.1 The next steps in developing the Efficiency Programme are as follows:

- Submission of mid-year review of delivering efficiency gains to ODPM by 17th November
- Refinement of project plans and tying down projected gains where possible
- Inclusion of details of Efficiency Programme in First Reading debate papers to Full Council in November

- Savings from Efficiency Programme included as part of the Star Chamber meetings in late November/early December
- Savings identified for 2006/07 included in the 2006/07 budget report to Full Council in March 2006.

9.0 Financial Implications

- 9.1 Full Council on 28th February agreed to set aside £250k from balances to fund costs of delivering efficiency gains through the Gershon agenda, subject to the funds being paid back over the next three years of the medium term financial plan.
- 9.2 There are no direct financial implications arising from endorsement of the mid-year review of progress against Annual Efficiency Statement targets.

10.0 Legal Implications

- 10.1 This report does not deal with individual schemes. Careful consideration will need to be given to each scheme and a further report or reports will be brought before members if necessary setting out the options and the legal, financial and operational implications of the proposal.

11.0 Diversity Implications

- 11.1 An Impact Needs and Requirements Assessment (INRA) has been carried out on the Efficiency Programme as a whole. This has identified that the efficiency programme is generally about different ways of doing things and therefore will not generally have an impact on the services that are provided. However, when each individual proposal is considered, there will be an individual impact assessment and an assessment of the impact of not delivering that efficiency gain. The council will consult with stakeholders on all proposals. The council's Efficiency Board will also consider the impact of proposals.

Background Papers

- Report to the Executive on 12th April 2005 on the 2005/06 Annual Efficiency Statement
- Gershon report – Independent review of public sector efficiency – July 2004
- ODPM and other guidance on the Gershon review and Annual Efficiency Statements
- Brent's forward looking Annual Efficiency Statement for 2005/06 and the backward looking Annual Efficiency Statement for 2004/05
- Value for Money self-assessment submitted in July to PWC as part of the CPA Use of Resources process
- Minutes of the Efficiency Board

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Duncan McLeod

Director of Finance and Corporate Resources

Brent Efficiency Programme - Project Status Summary

Project Title	E Board Support	Project Lead/Chair	Project Manager
Homeworking	Yes	M Read	Tim Flint
Insurance	Yes	Duncan McLeod	Tim Flint
Security Contracts	Yes	Keith Surey	Gerry Coyne
Cash Flow Project (A) - Council Tax Project (B) - VAT	Yes	Peter Stachniewski Peter Stachniewski	David Huberman Hez Ejim
Rationalisation of storage space	Yes	Carmen Coffey	Tim Flint
Consolidating Suppliers	Yes	Alison Matheson	Penny Storie
Reverse Auctions	Yes	Martin Cheeseman	Mark Abrahams
Vendor Management service for agency staff	Yes	Gordon Fryer	Mark Abrahams
Review of IT Procurement	Yes	Geoff Galliee	Tom Lloyd (with support from Mark Abrahams)
Income Collection Strategy	Yes	Martin Spriggs	Tim Flint
Review of customer service receptions	Yes	Sandra Carson & Martin Cheeseman	Tim Flint

Brent Efficiency Programme - Project Status Summary

Process Re-engineering	Pending	Peter Stachniewski	Lynda Brooks
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Shared Services	Pending	Duncan McLeod	Lynda Brooks
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Energy & Water Savings/Green staff behaviours	Pending	Duncan McLeod	Keith Tallentire
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Consultants (use of)	Pending	Peter Stachniewski	Lynda Brooks
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Top 20 Supplier Targets (savings)	Pending	Alison Matheson	Mark Abrahams
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Review of Social Care Contracts	Pending	Gordon Fryer (in liasion with M Cheeseman)	Mar Abrahams
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Single Accounting System	Pending	Duncan McLeod	Peter Stachniewski
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Sickness Management	No	Val Jones	T.B.A.
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Staff Retention	No	Val Jones	T.B.A.
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E-Learning	No	Val Jones	Dalia Davis
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In-house Training	No	Val Jones	T.B.A
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Procurement Training	No	Alison Matheson	n/a
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Moving Customers to lower cost access	No	Sandra Carson	Tim Flint
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List of actions as part of the Communications Strategy

1. Work Smart/Working Smarter – use as a strap-line on all promotion materials and when talking about efficiency to positively promote the idea/concept to staff. For example:
 - ‘Brent Council is Working Smarter to provide e-learning opportunities for staff to improve their knowledge and abilities.’
 - ‘Staff at Brent Town Hall have adopted a Work Smart approach and recycle paper that has only been printed on one side in photocopiers and fax machines.’
2. Insight staff magazine – Introduce Work Smart/Working Smarter through a double page Improving Brent spread to consist of an interview with a lead member of the Efficiency Board, an example of one of the projects and a team or individual example. Illustrate how small actions can make a big difference. Continue with regular examples/column of good practice.
3. Promote in Members Bulletin using examples of good practice.
4. Intranet – produce Work Smart/Working Smarter pages which are regularly updated to include introduction from a member of the Efficiency Board, updates on the ongoing project work, Work Smart/Smarter examples from staff and ideas/suggestions on efficiency gains.
5. IB Seminar to focus on Work Smart/Working Smarter. To include external keynote speaker and internal speaker – possibly one of the Efficiency Board members – and possible workshops.
6. Introduce a staff suggestion scheme with monthly prizes – maybe an office hamper of coffee/tea/sugar/biscuits – and an annual prize to be presented at the Staff Awards Event. (Efficiency Board to decide if funding can be provided to buy monthly prizes – no more than £240, approximately £20 per month). First annual prize to be at the 2006 Staff Awards, allowing a full year of ideas to be considered.
7. Road-shows/Q&A sessions – piggyback onto corporate road-shows or Q&A sessions to be held at two or three different council venues. Use positive examples of efficiency in action and examples of how small efficiency gains within that particular location can make a big difference. Consider a specific briefing session for members.
8. Produce a poster template that can be used to promote Work Smart/Working Smarter efficiency gains in localised areas – near water coolers, photocopiers, kitchen areas – but can also be used, when necessary, in a council wide context.
9. Your Council, Working Smarter – promote best practice examples, both big and small, to residents through the local media, The Brent Magazine, the internet, Ward newsletters and posters. This to coincide with the launch to staff in October 2005.
10. Identify members of the Efficiency Board who are willing to ‘tour’ department/team meetings with a prepared presentation on how to adopt Work Smart/Working Smarter principles.

ANNUAL EFFICIENCY STATEMENT - MID-YEAR UPDATE

Local authority

London Borough of Brent

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General or Overarching Comments

The council's strategy for securing efficiency gains in 2005/06 is as follows:

- an annual 2% savings target which all services are expected to achieve. For 2005/06, the total budgeted savings arising directly from the application of that target are £4m, of which roughly half - £2.1m - are efficiency gains;
- other cashable gains from activities outside service budgets but which contribute directly to reducing council tax levels, including £0.2m from improvements in council tax collection;
- non-cashable gains – where the council cannot use the funds to reduce the charge to council tax payers - including £0.9m on supporting people;
- gains in our capital expenditure programmes - including £2.5m estimated gain by Brent Housing Partnership our ALMO on kitchen, bathroom and window replacements.

Total estimated efficiency gains in 2005/06 are £6.365m of which £5.216m are cashable. This is some £2.48m higher than the £3.895m reported on our 2005/6 forward look and can be attributed to the inclusion of the £2.5m for kitchen, bathroom and window replacements as detailed above. Details of other major differences are provided in the table below.

Our forecast cumulative efficiency gains are £17.188m of which £14.269m are cashable. This exceeds the targets set for Brent of £6.870m in total and £3.435m cashable.

	Estimated efficiencies achieved Apr 05 - Sept 05 (inclusive)	Forecast 2005/06 efficiencies	...of which cashable	2004/05 annual efficiency gain	2004/05 ...of which cashable	Forecast cumulative efficiency	...of which cashable
Adult social services	141,000	882,000	882,000	177,000	23,000	1,059,000	905,000
	Explanation of Major Differences:						
Children's services	31,000	61,000	61,000	94,000	0	155,000	61,000
	Explanation of Major Differences:						
Culture and sport	0	0	0	43,000	0	43,000	0
	Explanation of Major Differences:						
Environmental services	0	0	0	10,000	0	10,000	0
	Explanation of Major Differences: Reduction in one waste management and recycling officer delayed until December 2006.						
Local transport (highways)	18,000	162,000	162,000	47,000	4,000	209,000	166,000
	Explanation of Major Differences:						
Local transport (non-highways)	0	0	0	0	0	0	0
	Explanation of Major Differences:						
LA social housing (capex)	1,283,000	2,567,000	2,567,000	7,277,000	7,277,000	9,576,000	9,576,000
	Explanation of Major Differences: Forecast gain of £2,567K relates to efficiency gains forecast by Brent Housing Partnership our ALMO in respect of capital expenditure to meet the decent homes standard namely kitchen, bathroom and window replacements. This gain was not included in our 2005/6 forward look. Our 2004/5 backward look included efficiency gains of £593K for fees and salaries this gain is forecast to reduce to a cumulative figure of £325K at end of 2005/6 and we have therefore reduced the cumulative total by £268K.						
LA social housing (other)	33,000	66,000	66,000	516,000	423,000	582,000	489,000
	Explanation of Major Differences:						
Non-school educational services	41,000	137,000	137,000	79,000	0	216,000	137,000
	Explanation of Major Differences:						
Supporting people	368,000	889,000	0	983,000	0	1,872,000	0
	Explanation of Major Differences: Increased gains from contract reviews.						
Homelessness	161,000	322,000	72,000	246,000	183,000	568,000	255,000
	Explanation of Major Differences:						

Other cross-cutting efficiencies not covered above							
Corporate services	111,000	149,000	149,000	91,000	91,000	240,000	240,000
	Explanation of Major Differences:						
Procurement	327,000	635,000	635,000	645,000	645,000	1,280,000	1,280,000
	Explanation of Major Differences: Low value calculator not available for 2005/6 forward look. This has identified gains of £307K for April - September 2005 and £615K for the 2005/6 forecast.						
Productive time	83,000	167,000	167,000	45,000	45,000	212,000	212,000
	Explanation of Major Differences:						
Transactions	100,000	200,000	190,000	1,017,000	948,000	869,000	790,000
	Explanation of Major Differences: In our forward look for 2005/6 we had based the gains for improvements on Council Tax and NNDR Collection on the cash improvement. It has become clear from later guidance that the gains should only be calculated on the basis of interest earned on the improved cash flow resulting in a £979K reduction in the forecast gain for 2005/6. The 2005/6 forward look included £200K for improvements to Housing Benefits recovery. We subsequently reported gains of £574K in this area for the 2004/5 backward look and the latest estimate for 2005/6 is for a cumulative gain of £226K. We have therefore eliminated the 2005/6 forecast and reduced the forecast cumulative efficiency by £348K.						
Miscellaneous efficiencies	74,000	128,000	128,000	169,000	30,000	297,000	158,000
	Explanation of Major Differences:						
Total	2,771,000	6,365,000	5,216,000	11,439,000	9,669,000	17,188,000	14,269,000