

APPENDIX B

AES – Forward Look 2007/08

The 2007/08 AES builds on progress already made by the council in delivering efficiencies in past years. It has also been prepared in the context of the council's overall Efficiency Strategy.

The council's 2006-2010 Corporate Strategy sets out the role that efficiency plays in securing resources to deliver priorities within it. It states:

“The corporate efficiency agenda will focus on those changes that could yield the most significant savings – particularly:

- 1. reviewing support services, including identifying the potential for achieving efficiencies by sharing services*
- 2. reviewing major service areas including customer service provision, adult day care and libraries to identify changes which would improve services whilst reducing cost*
- 3. using IT to deliver process efficiencies e.g. remote working*
- 4. delivering improved commissioning arrangements in adult social care*
- 5. maximising savings from better procurement”*

Following production of the Corporate Strategy, the council has produced a new Efficiency Strategy, tied into the Corporate Strategy and the council's Medium Term Financial Strategy (MTFS). Details of the main elements of the Efficiency Strategy, and its links to the Corporate Strategy and MTFS are contained in the attached diagram (diagram at Annex A of Appendix B).

The council's commitment to this programme is reflected in the inclusion of a number of innovative invest to save schemes in the 2007/08 budget. These include investment in preventative children's care services, customer service changes reflecting changes in the way residents access the council, a modern information technology infrastructure, and an HR transactions centre (the People Centre). Other invest to save initiatives are being considered for adult services, libraries and financial transactions. These proposals are all subject to rigorous examination using the RSE-Brent Return on Investment tool and services are required to pay back investment from savings over a specified period.

The council has also taken a leading role with other west London authorities through the West London Alliance to develop shared services, with the focus on adults' and children's care, regulatory services and human resource functions.

The Efficiency Strategy covers more than one year and reflects what the council anticipates will be delivered during the period of the current administration which runs until 2010.

The savings for 2007/08 included within this Annual Efficiency Statement are principally the result of work carried out under the existing efficiency programme and the council's budget process. The efficiencies include:

- corporate support services: a revised approach to the council's insurance arrangements, revamping of the arrangements for cash payments including closure of the cashiers' service, transfer of benefits payments from cheque payments to BACS, reduced cost of IT procurement, and implementation of new HR support arrangements;
- housing and community care: review of placements in learning disabilities leading to more in-borough placements, tendering of the equipment and meals on wheels service, a reconfiguration of the adults' service with increased focus on client choice through direct payments, and implementation of the first stage of the customer contact review;
- environment and culture: management restructurings in regulatory services, amalgamation of the town centres' wardens service with Metropolitan Police Safer Neighbourhood Teams, and reviews of support requirements;
- children and families: review of support services following amalgamation of children's social care and education support functions in a single directorate and measures to reduce cost of children in care.

The savings reported in this statement are a prudent estimate. No allowance has been made for higher than general inflation in highways and housing construction or social care placements. In addition, non-cashable savings arising, for example, from reduced sick leave. These and other items will be reflected in the mid-year monitoring and final outturn statements for 2007/08.

The council has a stretch efficiency target based on the Gershon efficiency target for 2005/06 to 2007/08 as part of the Local Area Agreement. This requires cumulative efficiency savings by 31st March 2008 of £22.6m (at least 50% of which must be cashable) compared to an original Gershon target of £20.6m. The council is on target to achieve this.

| Unit | Description | Cashable £'000 | Non- cashable £'000 | Total £'000 |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------|------------------------|
| Adult Social Services | | | | |
| Learning disabilities | Bringing four expensive client back in-house | 342 | | 342 |
| Mental Health | Return 5 clients from residential out of borough care, to supported living within the borough | 306 | | 306 |
| Older People | Meals on wheels - externalise food provision | 169 | | 169 |
| Physical Disabilities | Change way in which hot meals are provided from in-house to meals on wheels contract | 11 | | 11 |
| Physical Disabilities | Increased take-up of direct payments | 38 | | 38 |
| Physical Disabilities | return clients in-borough | 89 | | 89 |
| Physical Disabilities | Externalisation of stores | 184 | | 184 |
| All client groups | Reconfiguration of service - This is a target saving to be achieved from the first phase of planned reconfiguration of the service. | 1,000 | | 1,000 |
| HCC finance | Improve efficiency in invoice processing by removing duplicated post | 33 | | 33 |
| HCC training and development | Reduce use of external trainers/consultants, increase in-house provision | 31 | | 31 |
| ASS Total | | 2,203 | | 2,203 |
| Children's services | | | | |
| Children and Families | Review of support services | 150 | | 150 |
| Children and Families | Children leaving care at 18 getting housing benefit instead of support from the council | 106 | | 106 |
| CS Total | | 256 | | 256 |
| Culture and Sport | | | | |
| ITU | Taking over schools libraries IT from external provider | 46 | | 46 |
| C&S Total | | 46 | | 46 |
| Environmental services | | | | |
| Regulatory services | Management changes to achieve efficiencies | 250 | | 250 |
| Parks | Reduction in one support service post. | 25 | | 25 |
| Building Control | Reduction of administrative support and the deletion of post presently filled by an agency inspector. | 55 | | 55 |
| Directorate | Deletion of vacant service improvement post | 45 | | 45 |
| Directorate | Proposed transfer of wardens' service to safer neighbourhood team will lead to management saving. | 25 | | 25 |

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|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------|------------|--------------|
| Environmental Health | Reduce the Food Safety management team by one post redistributing the managerial workload to the two other managers. | 50 | | 50 |
| Planning Service | Delete of a Land Charges post | 30 | | 30 |
| Trading Standards | Loss of 1 Senior Trading Standards Enforcement Officer | 53 | | 53 |
| Transport | Parking- savings in IT contract | 50 | | 50 |
| Env Total | | 583 | | 583 |
| Local transport (highways) | | | | |
| Highways | Pegging contract increases to RPI not Roadcon index | 300 | | 300 |
| Local Transport Total | | 300 | | 300 |
| Local transport (Non-highways) | | | | |
| Transportation | Improved working methods and processes | 80 | | 80 |
| Parking | Improved management of parking account | 100 | | 100 |
| Local Transport Total | | 180 | | 180 |
| LA Social housing (capex) | | | | |
| BHP | Reduced consultants fees | 180 | | 180 |
| LA Social Housing Total | | 180 | | 180 |
| LA Social housing (other) | | | | |
| Private Housing | Migration from Epicor to Housing Oracle - savings in licence fees and systems support | 4 | | 4 |
| South Kilburn Housing Project | Efficiency savings | 12 | | 12 |
| HRA | More efficiency and effective administration of bed and breakfast budget | 50 | | 50 |
| HRA | Efficiency review - reducing duplication between the council and the ALMO | 150 | | 150 |
| House Total | | 216 | | 216 |
| Non-school related educational services | | | | |
| Brent Education Tuition Service | Re-organisation of teaching groups to create more cost effective provision | 50 | | 50 |
| Non-Sch Total | | 50 | | 50 |
| Supporting people | | | | |
| Supporting people | Efficiency savings through contract reviews and containing costs within a cash limited budget | 701 | 339 | 1,040 |
| Supporting People Total | | 701 | 339 | 1,040 |
| Homelessness | | | | |
| Housing Resource centre | Reduction in expenditure on temporary accommodation through effective front line homelessness work | 239 | 0 | 239 |

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|-----------------------------------------|------------------------------------------------------------------------------------------------------|------------|----------|------------|
| Homelessness Total | | 239 | 0 | 239 |
| Corporate services | | | | |
| Chief Executive's Office | Savings from meetings and various corporate projects | 15 | | 15 |
| Communications and Consultation | Reduced recruitment budget through better staff retention | 5 | | 5 |
| Communications and Consultation | Increased advertising income | 40 | | 40 |
| Communications and Consultation | No inflation on members allowances | 17 | | 17 |
| Finance and Corp resources | Reduction in audit fees due to better accounts | 25 | | 25 |
| Corp Total | | 102 | | 102 |
| Procurement - goods and services | | | | |
| ITU | Mobile phone contract | 50 | | 50 |
| ITU | Reduced cost of PC procurement (100 central item + 50 ITU budget) | 150 | | 150 |
| ITU | Reduced cost of software licences | 10 | | 10 |
| ITU | New e-mail system - reduced licence fees | 100 | | 100 |
| ITU | convergence of voice and data lines | 25 | | 25 |
| ITU | Expansion of ACD across telephone system | 25 | | 25 |
| Legal & Democratic | Accommodation savings by better use of town hall basement | 11 | | 11 |
| Payroll | Better procurement - savings on new payroll contract | 102 | | 102 |
| Procurement | Insurance savings due to London mutual (120 central item +80 efficiency) | 200 | | 200 |
| Procurement | Self-funding 3 posts through fees and charges and contract savings as a result of improved processes | 140 | | 140 |
| Revenue and benefits | Replace agency staff with trainees | 89 | | 89 |
| Procurement Total | | 902 | | 902 |
| Procurement - construction | | | | |
| Productive time | | | | |
| Human Resources | HR transformation | 264 | | 264 |
| Legal & Democratic | Process re-engineering, reduced secretarial hours | 13 | | 13 |
| Legal & Democratic | Redistributing work of housing lawyer currently covered by locum, to other staff | 57 | | 57 |
| PRU | As a result of Excellent CPA rating, fewer inspection costs etc | 30 | | 30 |
| PRU | Because of 3* rating less inspection and lower audit fees | 5 | | 5 |
| Revenue and benefits | Reduction of HB subsidy loss / increased overpayment recovery levels | 60 | | 60 |
| Revs and Bens | Transfer some work offshore | 40 | | 40 |

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|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|--------------|
| Finance | Deletion of 2 posts in accountancy - these posts are currently vacant and will need to be covered by reviewing processes in the section. | 70 | | 70 |
| Productive Total | | 539 | | 539 |
| Transactions | | | | |
| Customer Services | Rationalisation of customer services | 68 | | 68 |
| Finance | Closure of the counter service for cashiers at the Town Hall. This reflects reduced volumes of activity as a result of people increasingly using non-cash forms of payment and availability of other payment facilities such as PayPoint. | 130 | | 130 |
| Revenue and benefits | Transfer HB payments from cheques to BACS | 25 | | 25 |
| Revs and Bens | Changing to 10 DD payments a year for council tax | 150 | | 150 |
| Trans Total | | 373 | | 373 |
| Misc | | | | |
| Grand Total | | 6,870 | 339 | 7,209 |