

Worcestershire County Council
Annual Efficiency Statement
Forward Look
April 2007

Annual Efficiency Statement – forward look

Local Authority

Worcestershire County Council

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Strategy for making and monitoring efficiency gains

Under the Comprehensive Performance Framework 2006 Worcestershire County Council retained its 4 star overall performance rating along with its improvement profile of 'improving well'. The Council improved its performance on Use of Resources from an overall score of 3 to a score of 4, and retained its score of 4 in the Value for Money Assessment. This continuous improvement was achieved whilst remaining one of the lowest spending of all County Councils. We continue to strive for high upper quartile performance despite the lower quartile funding available.

Putting people at the centre of our plans and priorities is the key driver that shapes the way that services are delivered; systems and services change to fit our residents' needs, not the other way round.

In line with the council's medium term financial strategy framework, efficiency measures are promoted through sound service delivery planning, staff development and training, and performance measurement. We are planning to strengthen our use of business process improvement techniques.

A group of Efficiency Work Stream Task Group Leaders monitors efficiency plans. Budget monitoring procedures keep under review those efficiencies that have a direct link to budgetary control, whether classed as measures to achieve budget reductions, or measures to contain spend within the limited resources available. The Policy Officers Group gives particular attention to performance monitoring.

Efficiency gain will come from:

- Doing more with the same amount of money;
- Improving the quality of service within existing resources;
- Extending the reach of services within current cash limits;
- Harnessing the potential of technology to improve productivity;
- Saving money through better purchasing arrangements;
- Promoting thrift and recycling of materials;
- Reviewing administrative and clerical procedures to ensure that they are necessary and fit for purpose;

- Disposal of surplus or redundant assets;
- Some combination of the above.

At the time of the 2006/07 Mid Year Update we were forecasting cumulative efficiency gains of £13.290 million against the cumulative target of £13.193 million. Since then we have undertaken further work to evaluate the non-cashable (and some additional cashable) gains arising from a number of transformational and improvement projects. We now anticipate submitting a Backward Looking statement in June 2007 showing cumulative gains of £14.112 million, £0.919 million over target.

The process of preparing the Council's budget for 2007/08 has identified budget reduction measures totalling £8.220 million. Whilst the majority of these represent efficiencies, applying the required definitions means £5.252 million may be included in the Annual Efficiency Statement.

Additional planned cashable and non-cashable efficiencies bring the total value of the 2007/08 actions to £8.792 million. Combined with the effect of efficiency actions in previous years we are anticipating achieving cumulative efficiencies of £22.555 million by the close of 2007/08, £2.766 million over the target of £19.789 million. The table below summarises the position:

	Efficiency Gains 2007/2008 £'000 Of which cashable £'000
Adult Social Care	3,543	3,543
Children's Services	100	100
Culture and Sport	117	117
Environmental Services	1,435	1,435
Local Transport – Highways	527	527
Local Transport – Non Highways	0	0
LA Social Housing	0	0
Non-schools Education Service	1,100	1,100
Supporting People	641	63
Homelessness	0	0
Corporate Services	1,003	840
Procurement (Commodity Goods and Services)	177	177
Procurement (Construction)	0	0
Productive Time	0	0
Transactions	0	0
Miscellaneous Efficiencies	149	149
TOTAL FOR 2007-2008 ACTIONS	8,792	8,051
Achieved in 2004-2005	3,178	3,142
Achieved in 2005-2006	5,267	4,132
Anticipated for 2006-2007	5,298	3,605
Additional full year effect of 2006/2007	20	6
TOTAL AGAINST 2007-08 TARGET	22,555	18,936
Cumulative target	19,789	9,895
Achievement over target	2,766	9,041

Key Actions in 2007/08

We will continue to build on our track record in improving efficiency.

- **Doing more with the same amount of money**

The Council continues to roll out workforce reform initiatives that will result in efficiency gains. A proactive approach to flexible and mobile working arrangements supports an ambitious office rationalisation programme, increases productivity and makes services more responsive.

Service delivery methods are kept under review to ensure the most effective provision: examples to be examined include the provision of day care for those in residential care, and the provision of respite care.

In other cases, as through the Waste Minimisation Action Plan, action is taken to reduce demand (or the rate of growth in demand) for services, by influencing service users' behaviour.

- **Improving the quality of service within existing resources**

Across a number of service areas, fundamental reviews are in hand with a view to aligning service delivery and organisational structures to meet future needs and priorities.

Within the learning disability service for example, a more modern service will be configured with greater emphasis on community-based provision. A restructuring of Children's Services will bring strategic leadership and front line service delivery closer together.

- **Extending the reach of services within current cash limits**

In Supporting People and Adult Social Services, more cost effective services, tailored to service users' needs, will release resources to extend services to more service users.

- **Harnessing the potential of technology to improve productivity**

A major initiative is the Worcestershire e-Government Partnership. The Partnership Board has responsibility to ensure the development and adoption of a shared vision, strategy and project plan for delivering e-government in partnership in Worcestershire, reflecting a countywide approach but taking account of the needs of individual district areas.

The e-government agenda permeates the organisation, enhancing the quality of services as well as improving productivity.

Further efficiencies will be realised by routing public contact through the Worcestershire Hub Contact Centres.

An integrated HR/Payroll system is being implemented from April 2007. Opportunities have been taken to re-engineer business processes.

The replacement of a number of systems is enabling reductions in the input required from IT support teams.

The introduction of a spam blocker will save time in dealing with unwanted e-mail.

- **Saving money through better purchasing arrangements**

The Strategic Procurement Team supports services in their purchasing arrangements. The benefits across a number of contracts that are being let, or that have been let and are now to be tightly managed, are reflected through the service blocks.

Contracts with service providers are reviewed with a view to securing efficiency improvements: this is likely to be a feature of future contracts.

A number of corporate wide contracts have been reviewed, securing savings across the organisation.

- **Promoting thrift and recycling of materials**

Budgets are reduced appropriately when the requirement for the services they support are reduced. Examples include the schools intervention budget, and IT support budgets.

- **Reviewing administrative and clerical procedures to ensure that they are necessary and fit for purpose**

A number of cases are cited of fundamental reviews of services, their management and staffing structures. The process of review will seek to eliminate unnecessary activity.

- **Disposal of surplus or redundant assets**

Capital receipts from the sale of surplus or redundant assets are used to reduce borrowing requirements. Service reviews actively consider the scope for rationalising property bases.

- **Some combination of the above**

In many cases, of course, the review of service provision enables efficiencies to be made across a number of these areas.

	Expected annual efficiency gains (£)	...of which cashable (£)
Adult social services	3,543,000	3,543,000
<p>Strategy: The strategy of previous years will be continued, seeking to enhance and at least maintain the quality of services within existing or reduced resources, by Modernising Services.</p> <p>New services will be commissioned to meet the needs of existing service users. In some cases these services will replace existing services that no longer meet individual needs effectively.</p> <p>Different ways of working for social workers, support staff and managers will maintain the flexibility and responsiveness of service at lower cost.</p> <p>Management structures will be reviewed.</p> <p>Better value will be obtained through improved procurement</p>		
<p>Key actions: In the learning disabilities service, a more modern service will be configured with greater emphasis on community-based provision. Individual care packages will be reviewed to ensure the most appropriate levels of support are provided.</p> <p>The provision of day care for those in residential care will be reviewed to ensure the most effective provision of service.</p> <p>Respite care services will be reviewed to secure effective service freeing up capacity in residential services.</p> <p>Management structures will be reviewed, leading to a reduction in posts.</p> <p>Benefits Advice services will be aligned with mainstream Citizens Advice Bureaux activity.</p> <p>Contracts with a range of service providers will be reviewed with a view to securing efficiencies.</p> <p>Modernised work practices in support teams include joint working with DWP, District Councils and Health.</p>		

	Expected annual efficiency gains (£)	...of which cashable (£)
Children's services	100,000	100,000
	Strategy: Opportunities for rationalisation following the integration of Children's Services will be realised.	
	Key actions: Some of the support work transferred from Children's Social Care is being absorbed by staff of the former Educational Services Directorate.	
Culture and sport	117,000	117,000
	Strategy: The Library service is the subject of a fundamental review.	
	<p>Key actions: A review of the library service is in hand. It is anticipated that the service will be restructured, with consequent impact on staffing levels, management and administration. Initial estimates of the part year effects of anticipated efficiencies are included in this statement.</p> <p>Self-service facilities will be improved.</p> <p>The procurement, cataloguing and distribution of book stock will be improved</p>	
Environmental services	1,435,000	1,435,000
	Strategy: Promotion of recycling and other initiatives will continue.	
	<p>Business Process Improvement techniques will be used to identify efficiencies.</p> <p>Key actions: The Waste Minimisation Business Plan sets targets for reduced volumes of waste for disposal.</p> <p>Staffing structures are being realigned to meet future needs and priorities.</p>	

	Expected annual efficiency gains (£)	...of which cashable (£)
Local transport (highways)	527,000	527,000
	<p>Strategy: Working practices and structures have been modernised.</p> <p>Business Process Improvement techniques will be used to identify efficiencies.</p>	
	<p>Key actions: The Highways Service Delivery structure has been centralised, to give significant improvement to the development control service and to secure the benefits of co-location with the maintenance contractor's staff. Public contact points are provided by the Worcestershire Hub Contact Centres.</p> <p>Staffing structures are being realigned to meet future needs and priorities</p>	
Local transport (non-highways)	0	0
	Strategy:	
	Key actions:	
LA social housing (capex)	0	0
	Strategy:	
	Key actions:	
LA social housing (other)	0	0
	Strategy:	
	Key actions:	
Non-school educational services	1,100,000	1,100,000
	<p>Strategy: Opportunities for rationalisation following the integration of children's social care and education within a single service will be realised.</p> <p>Budgets will be realigned to reflect current needs.</p> <p>Better use will be made of property assets.</p>	
	<p>Key actions: A restructuring of Children's Services will be implemented, shortening the distance between strategic leadership and front line delivery.</p> <p>The school intervention budget has been reduced following the completion of a particular programme.</p> <p>Integrated service teams will be co-located, rationalising property bases and making more efficient use of reception and administrative support staff.</p>	

	Expected annual efficiency gains (£)	...of which cashable (£)
Supporting people	641,000	63,000
	<p>Strategy: A continuation of the strategy to enhance the quality of service within existing resources by Modernising Services. New services will be commissioned to meet the needs of current service users.</p>	
	<p>Key actions: Supported living schemes will be reviewed to ensure their effectiveness.</p>	
Homelessness	0	0
	<p>Strategy:</p>	
	<p>Key actions:</p>	
Other cross-cutting efficiencies not covered above		
Corporate services	1,003,000	840,000
	<p>Strategy: The potential of technology will be harnessed to improve productivity in corporate systems.</p> <p>Efficiencies will be realised through better procurement arrangements.</p>	
	<p>Key actions: Reductions in the in-house support required for recently replaced or planned systems will enable savings in the IT teams that supported previous systems.</p> <p>The implementation of a spam blocker will save time dealing with unwanted e-mail.</p> <p>A new integrated HR/Payroll system is being implemented in April 2007.</p> <p>Better procurement arrangements are being effected in respect of recruitment advertising, property repairs and maintenance and agency staff.</p>	
Procurement - goods and services	177,000	177,000
	<p>Strategy: Procurement efficiencies are recorded under individual service streams. Crosscutting initiatives are recorded here.</p> <p>Significant attention will be given to supporting services to secure cashable efficiencies, and savings in 2008/09 and onwards.</p>	
	<p>Key actions: Postal services have been reviewed. Part year procurement savings are included here.</p> <p>Mobile telecoms and XDAs have been moved to the new tariffs of the Office of Government Commerce (OGC).</p>	

	Expected annual efficiency gains (£)	...of which cashable (£)
Procurement - construction	0	0
	Strategy:	
	Key actions:	
Productive time	0	0
	Strategy: Productive time efficiencies are for the most part recorded under individual service streams.	
	Key actions: Flexible and mobile working initiatives continue to be rolled out.	
Transactions	0	0
	Strategy: Transactional gains are considered under individual services as appropriate.	
	Key actions:	
Miscellaneous efficiencies	149,000	149,000
	Strategy: Surplus or redundant assets will be disposed of.	
	Key actions: Capital receipts will be utilised to reduce borrowing. Property rationalisation will continue and assets will be used to optimal effect.	
Total	8,792,000	8,051,000

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Mike Weaver
Director of Financial Services

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Rob Sykes
Chief Executive

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Dr George Lord
Leader of the Council

Date.....