

SIMPLY DONE EFFICIENCIES PROGRAMME

Report of the Director of Adult Care Services: Caroline Tapster

Author: - Ian Bailey tel : 01992 558382

1. Purpose of the report

To inform the committee:

- of the setting up of an efficiencies programme to release annual cashable savings of £5million without cutting front-line services;
- that the efficiencies programme will constitute the Council's Best Value Review programme for 2003/04 and be developed in subsequent years to cover all the requirements of Best Value Reviews;
- that the programme will be supported by a dedicated efficiencies team

2. Summary

This report describes arrangements to implement and support a programme targetted at releasing £5million per year in cashable savings, including:

- A dedicated team
- A senior officer, cross-departmental 'champions group'
- Links to existing major projects, particularly SHARP and office rationalisation

3. HertsConnect: simply done Implementation – proposals for an efficiencies programme

Introduction

In order to avoid cuts to services and / or very high council tax increases in future years, the County Council needs to embark on a programme to identify and achieve cashable efficiency savings of £5 million per year from 2004/5 onwards. The Simplifying Administrative Processes strand of Herts Connect: *simply done* has demonstrated that there are significant efficiencies to be made within the organisation.

The annual budget round with its "salami slicing" approach to efficiency savings is unlikely to deliver the very significant efficiency savings that will need to be made in future years and SMB have agreed that we need to take a different approach. This paper sets out this new approach.

Simply done Champions Group

It is proposed that the programme is steered by the “*simply done* Champions Group” which is made up of one departmental board member and one aspiring board member per department. Members of the Group will steer the efficiency when identifying areas where significant efficiency savings are likely to be achieved. They will also be responsible for liaison with Departmental Management Boards. Possible areas across the Council which the Group should consider are:

- simplifying administrative processes (building on the *simply done* strand which looked at processes connected with the work of CSF quadrants, expenses claims and new starters)
- delivering common functions in different ways (e.g. finance, personnel, research and development, planning etc)
- raising staff performance and productivity
- levels of management in existing structures
- using ICT to do things more efficiently.
- Re-designing jobs

Service reconfiguration or other changes affecting the public’s entitlement to or access to services will be outside of the scope of the efficiencies programme.

The group will then propose a 3 year efficiencies programme to SMB. The 3 year programme will be signed off by SMB and a team identified for each project.

Guiding principles

The following guiding principles were set out in the report of the simply done review (as reported to Cabinet on 16 December 2002). These should inform and guide the work on efficiencies.

The goal of this review – and of the implementation programme that will follow - is simply to ensure that our energy and resources are focused on meeting the needs of the people we serve. We need to make it as easy as possible for our staff to do this by:

- providing leadership which gives staff the confidence, motivation and freedom to work to the best of their ability
- creating a culture which encourages learning and discourages blame.
- being clear about what we expect of our staff and how they will be supported to do the best job they can
- trusting staff to get things right rather than setting rules to stop them getting things wrong
- reducing bureaucracy and enabling staff to spend more time on tasks that will make a difference to the lives of the people we serve
- allowing as many decisions as possible to be made as quickly and simply by people best placed to understand their implications
- creating modern working conditions which help rather than hinder staff to do their jobs

- working more effectively with our partners and ensuring partnership working brings real benefits to the people we serve
- looking at basic working practices - eg use of email, meetings

Efficiencies Programme Team and Project Teams

A full-time programme manager (Ian Bailey) has been appointed to manage the various efficiencies projects identified by the Champions Group – supported by a team composed of Strategy and Consultancy staff with business process re-engineering skills and other secondees with service backgrounds and relevant skills.

Each area of efficiency work will be managed as a specific project in its own right and will engage fully with departmental leads/staff and a project manager appointed. Appropriate staff will be seconded to work on the project on a full or part-time basis. Each project team will develop a clearly costed and auditable plan which identifies up-front implementation costs and the cashable and non-cashable savings to be achieved.

Links with other projects

Best Value review programme

The Best Value review programme will be suspended in 2003/4 to enable sufficient resources to be put into the efficiencies programme.

SHARP project

(This is the project to procure and implement new finance and human resource information systems.) The SHARP project will lead to significant changes in the way that finance and personnel functions are carried out and has the potential to achieve considerable efficiency savings. In order to prevent duplication of effort or lack of co-ordination between the efficiencies programme and the SHARP project, a leading member of the SHARP project will also be on the Champions Group.

Office rationalisation project

Following on from the improving working conditions strand of *simply done*, an office rationalisation project is now underway. This also has the potential to achieve considerable efficiency savings. As with the SHARP project, a leading member of the office rationalisation project will be on the Champions Group.

Simplifying administrative processes strand of simply done

The project team responsible for implementing the changes which will lead to efficiency savings in the areas identified in the simply done review will be brought within the efficiencies programme to ensure that the learning from this project informs other projects carried out as part of the efficiencies programme.

Learning organisation strand of simply done

Concurrently with this work, Alan Warner will lead on developing a learning organisation. This will include both an extension of leadership development, building on the recent experience of CSF and ACS, to ensure that all our managers are focussed on developing high performing staff; and it will include a series of initiatives to share learning across the whole organisation, building on and celebrating the good practice that already exists. This work will help to create the conditions and management excellence that will enable efficiency savings to be realised. The Champions group will also be involved in this strand.

Resources to support the efficiencies programme

The Efficiencies programme will be led by Caroline Tapster, Director of ACS.

The efficiencies programme replaces the Best Value Review programme for the year 2003/04, the programme will therefore be funded by the BV budget (£373,000 for the current financial year). This budget can be used to meet the cost of staff seconded on a full or part-time basis and can also be used to pay for external support if needed. In order to maintain the rigour of a Best Value review, the efficiencies programme should be subject to external challenge at appropriate stages and the Best Value budget can be used to fund this.

One-off implementation costs may be required to enable efficiency savings to be achieved in the longer term. Such costs will be clearly identified. As implementation costs cannot be met from the Best Value budget, separate budgetary provision must be made for them. This should be possible as long as the overall efficiencies target of £5 million per year is achieved from 2004/5 onwards. The savings figure achieved for any particular project will be net of the implementation cost.

Efficiencies programme targets

In 2003/4 cashable efficiency savings of £5 million which can be delivered in full by the end of 2004/5 (net of implementation costs) and on an ongoing basis will be identified.

In 2004/5 a further £5 million efficiency savings will be identified to be delivered during 2005/6 making the total cashable efficiency saving target to be achieved by the end of 2005/6 £10 million.

In 2005/6 a further £5 million efficiency savings will be identified to be delivered during 2006/7 making the total cashable efficiency saving target to be achieved by the end of 2006/7 £15 million.

In order to focus the work on achieving cashable efficiencies we propose to remove the expected savings from budgets as they are predicted to come on stream. The savings will then become part of the budget available to meet demographic and other pressures. It is very important that it is clear and

transparent that savings will be used to maintain and develop services against a background of increased demographic pressure and to prevent further increases in council tax.

Single line for reporting and monitoring savings

To avoid confusion an any potential for double counting, the current arrangements for reporting on best value review savings targets and for monitoring their achievement should be extended to incorporate both the activities considered in this report and other relevant projects, principally project SHARP and the office rationalisation project. All of these should be reported to Cabinet through an executive member.

Proposed timescales

<i>Action</i>	<i>When</i>
Set up Champions Group	February
SMB to sign off 3 year programme	April
Confirm members of efficiencies team	April
Commence first projects	April/May
Have action plans in place to achieve full £5 million savings in 2004/5	November