

SIMPLY DONE EFFICIENCIES PANEL WORK AND PROGRAMME FOR 2004 / 2005

Report of the Chief Executive

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1. Purpose of report

To update the Scrutiny Committee on the work of the Efficiencies Panel.

2. Summary

Since its establishment the Efficiency Panel has met three times and is

- following-up the implementation of the promised savings for 2004/05,
- focusing on three major areas of significant potential efficiency gains for 2005/06: SHARP, Integrated transport and Purchasing. In addition, the potential for charging for discretionary services is being explored.
- developing ideas for a future programme of savings impacting on the 2006/07 budget cycle.

A work programme has been agreed for the next 9 months.

3. Conclusion

The Scrutiny Committee is invited to note the work programme of the Efficiencies Panel.

4. Background

4.1. **Implementing 2004/05 efficiencies:** Quarterly progress reports will be brought to the Panel on implementation of promised efficiency savings for 2004/05 in the following areas:

- SHARP related savings
- Property related savings
- Reprographics savings
- CSF long term efficiency gains
- CSF local services staffing review
- CSF school amalgamations
- Highways -Integrated work programme
- Highways contract
- Single staffing in libraries
- Home Care externalisation

The purpose of the exercise is to learn from the process of implementation and to spot any departures from target. The criteria that were used in the selection of the above areas included: size of the savings, extent of potential risk, impact on individual service/ across services, opportunity for learning across services.

4.2. **Integrated Transport:** The panel has received a presentation on the work of the Integrated Transport Project which involves HCC, District Councils and the NHS. Current expenditure on public transport in the whole of Hertfordshire is £38.55m, of which about £15m is spent by HCC on taxis. The Project has already identified a number of issues in relation to current arrangements and some goals for the future. A long term vision on integrating transport in the County has been developed in association with a strong network of partners. Other achievements include better access to information on transport and improved rural door to door transport. In the immediate future, the project will focus on reviewing transport policy, commissioning and co-ordination arrangements, and identifying potential efficiency savings for the 2005/06 budget. A progress report will be brought to the June panel meeting with suggestions for change and a project plan to achieve the long term vision.

4.3. **SHARP:** The revised business case shows revenue savings building up to £3.4m by the final year of the contract, and project payback well within 5 years, and an accumulated net benefit to the council over the contract period of £5.2m. Consequently, supporting the implementation of SHARP, then engaging with optimising its benefits by implementing managerial selfhelp and re-engineering HR and Finance processes is a priority for the Council.

4.4. **Purchasing::** This is likely to include (1) Enhancing existing organisational and professional purchasing capacity through sharing best practice and making best use of the Procurement Board, (2) Getting best value out of existing and new contracts and commercial relationships. A detailed scope for this area of work is being developed and work is expected to start in September.

4.5. **Review of Charging Policies:** . This work is being undertaken in the context of new powers to charge for discretionary services afforded by the Local Government Act 2003. The Panel has agreed the terms of reference and timescale for the review, together with a set of principles to be applied when charging for discretionary services. All departments will review their existing charges and investigate the feasibility of charging for other services in the light of the principles set out below. The review will be completed by the end of October 2004 so that any start-up costs and/or projected income could be reflected in the 2005/06 budget process. The feasibility of providing certain services on a “traded” basis will be investigated once the ODPM has published its detailed regulations in this area.

4.6. The principles for charging agreed by the Panel are:

a. All discretionary services should be charged for unless:

- The cost of recovering charges exceeds the income raised,
- There are social/political reasons for not charging,
- Charging will act as a deterrent to seeking advice and thereby increase workload in other areas,
- Charging the full costs will act as a deterrent to a service that is being provided using spare capacity,
- A business case indicates that charging less than full cost will minimise total net costs,
- A service is being provided in partnerships with others and the partner(s) object to charging.

b. All charges to be increased annually at least in line with inflation (excluding some specified circumstances such as where they are set by legislation, or where the market will not support the increase).

c. Any traded services should be within the core purpose of the County Council.

4.7. **Future work programme:** - Members agreed the following work programme for the Panel.

3rd June 2004/05 savings : Implementation of promised savings
2005/06 savings: Progress on SHARP and Integrated transport
Report on use of external consultants

17th Sept 2004/05 savings: Implementation of promised savings
2005/06 savings: Progress on SHARP and Purchasing
2006/07 savings : Report on areas of potential efficiencies

27th Oct. 2005/06 savings: Progress on Integrated Transport & charging
2006/07 savings: Progress report

8th Dec. 2004/05 savings: Implementation of promised savings
2005/06 savings: Progress on SHARP and Purchasing
2006/07 savings : Progress report