

Efficiency News

Contents

[Efficiency Champion's Notebook](#)

[News from the DCLG](#)

[The Ministerial Team at the Department for
Communities and Local Government](#)

[Beacon Awards 2006 – Round 7](#)

[Update from the Regional Centres of
Excellence](#)

[News Round-Up](#)

[4ps – Delivering Efficiency in Street Scene](#)

[Delivering Change, Making Savings and
Meeting Customer Need](#)

[Woking Borough Council - Energy Efficiency](#)

[Best Practice – Creating Efficient Delivery
Chains](#)

[Leeds City Council - Digital Pens in Social
Care](#)

[Useful Links](#)

Welcome to the seventh edition of *Efficiency News*, published by the DCLG Modernisation and Efficiency Division and National Procurement Forum in partnership with PricewaterhouseCoopers.

To receive a copy of Efficiency News, please e-mail:

med@communities.gsi.gov.uk

If you have any comments or wish to submit content to this newsletter, please e-mail: med@communities.gsi.gov.uk

The views expressed in this newsletter are not necessarily those of the Modernisation and Efficiency Division, the Forum, the DCLG or Government ministers

PRICEWATERHOUSECOOPERS 

Issue 07 – June 2006



Efficiency Champion's Notebook

National Efficiency Champion and Chief Executive of the London Borough of Lewisham Barry Quirk puts forward the argument that in order to become efficient the public sector must first become 'lean'.

The public sector has been slow to adopt the so-called "lean" approaches to operational management that have stood many private sector companies in great stead. And yet Sir Peter Gershon rightly identified "process simplification" as one of the quickest routes to improving efficiency. Perhaps the best example of a large UK public agency currently trying to implement lean management approaches across its range of products and processes is HM Revenue & Customs – but what is lean and what can it offer local government efficiency?

A fully disciplined approach to "lean" production began at Toyota some four decades ago in Japan. It has since moved into all sectors of the economy with very many product and services companies adopting the approach. Lean is an integrated set of principles, practices, tools and techniques that attempt to address the root cause of operational under-performance. Lean seeks to eliminate the three key sources of "loss" – waste, variability and inflexibility. Waste is anything that adds cost to value. Variability is any deviation from a set standard that detracts from the quality of a service. And inflexibility is any barrier to meeting changing customer requirements.

One of the root causes of inefficiency in local government is simply how work is organised relative to the nature of customer demands. Over-production is a key source of waste and inefficiency. And over-production doesn't just happen with car manufacturers: it happens in the operation of all processes in the delivery of local government services. So one approach as to how best to reduce over-production in process management (say in how benefits are administered or in how planning applications dealt with) is to move to a levelled approach to process management that more closely matches workforce to demands. How closely is any workforce matched to the demands – annually; monthly, weekly or hourly? Lean requires us to move to hourly! Similar lean principles can be used to adopt fewer management layers within your Council – creating a leaner organisation.

If you want more on how to apply lean to your organisation read ***Journey to Lean*** by John Drew and others (published in 2004 by Palgrave).

News from the DCLG

The Modernisation and Efficiency Team review some of the recent events relating to the efficiency agenda for local government.

Two key streams of work are being taken forward by the Team at the moment, both of which closely involve local authorities and representative organisations. The first is the continuing effort to enhance information and support for councils seeking to identify opportunities for efficiencies, delivery of gains, and their measurement and reporting.

On the last point, we have updated and reissued the measurement guidance that we published in February, **Measuring and Reporting Efficiency Gains**, including the work that is underway on valuing improvements in service quality. Other elements of the guidance have also been reviewed to provide further detail where clarity has been sought by councils over the last few months. The new version of the guidance is available from the RCE website at:

<http://www.rce.gov.uk/rce/core/page.do?pagelId=10106>

The revised guidance will support completion of the **2005-06 Backward Look efficiency statement**, the template for which went live on the esd-toolkit in early May. In response to council requests to change the deadline to fit with end of year accounts, the new submission date for the Backward Look has been changed to **Thursday 6 July**. For those who like to plan ahead, new deadline dates for future Backward Look statements are included in the revised measurement guidance.

The **2006-07 Forward Look efficiency statements**, submitted by councils at Easter, have been reviewed by the Team, other government departments and the RCEs. The statements and a summary of the results were published on the DCLG website on **13 June 2006**. A review of the key results from these statements is included below.

The second workstream is the development of ideas for taking forward the efficiency agenda after 2007/08, through the period of the **Comprehensive Spending Review 2007 (CSR07)**, and into the future. Work in this area is at a relatively early stage and there is a good opportunity to influence the direction of the agenda to ensure that it produces the optimal outcomes for service users and taxpayers.

One route by which local government has been influencing the agenda is the **series of roundtable discussions** hosted by the RCEs and DCLG, held during April and May. Regional events have been held in the South West, North West, East Midlands, North East and Yorkshire and Humber jointly, and London which attracted large numbers of chief executives and senior personnel from councils, police and fire authorities in those regions. A national roundtable has also been held, bringing together a wider range of individuals from local government, the private sector, and other interested parties. Discussions at each of these events were wide-ranging and have produced a lot of interesting ideas that the Team will work through in the coming months. We expect that the continued interaction between local and central government on this agenda will help to ensure that it is taken forward in a way that is sustainable and successful.

“Review of the 2006/7 Forward Look Statements”

At Easter, councils in England submitted their Forward Look statement for 2006/7, reporting on their strategy for making efficiency gains and some of the key actions that they expect to take during this financial year that will deliver improvements. This article looks at the headline results emerging from these statements.

We are now into the second year of Annual Efficiency Statement returns and the process is now well embedded in many local authorities. This year's Forward Look statements contain frequent mentions of projects being co-ordinated by the Regional Centres of Excellence or government departments, as well as the usual wide range of individual projects developed by councils themselves.

With this significant number of projects in train, it is not surprising to learn that the total value of the new gains expected to be achieved during 2006/7 is **£1.274bn**. Of this amount, just over £1bn is expected to be cashable, i.e. directly releasing cash for reallocation elsewhere. If this total expectation can be delivered, it will represent a significant achievement:

- It will be more than the £760m achieved in 2004/5 and the £1.1bn that is expected to be reported in the 2005/6 Backward Look statements (due for submission to DCLG in July);
- It is also in excess of the annual £1bn target for councils that represents 2.5% of their 2004/5 baseline expenditure; and
- Most importantly, it will allow councils to reallocate the resources released to further improve local services or to hold down Council Tax increases.

This means that that if the gains from previous years are sustained, and the gains for 2006/7 are realised, then overall councils will have achieved the **£3bn** target for 2007/8 a year early. This will be a very clear demonstration of the ability and determination of local authorities to deliver better quality local services in more cost effective ways.

The table below shows what level of gains are expected to be delivered in each of the service sectors and workstreams in 2006/7 and compares them with the amounts reported achieved in 2004/5 and expected to be reported for 2005/6:

Area of Activity (Lead Department in brackets)	Gains Achieved in 2004/5 (£m)	Gains Expected in 2005/6 (£m)	Gains Expected in 2006/7 (£m)
Service Sector			
Adult social care (DH)	112.6	172.6	213.5
Children's services (DfES)	52.2	71.8	92.2
Culture and sport (DCMS)	28.4	45.5	47.8
Environmental services (Defra)	54.8	84.6	102.0
Local transport (highways) (HA)	46.2*	76.8*	54.6
Local transport (non-highways) (DfT)			23.7
LA social housing (capex) (DCLG)	89.2*	88.4*	26.5
LA social housing (other) (DCLG)			67.4
Non-school education services (DfES)	35.7	52.1	58.5
Supporting people (DCLG)	21.0	43.8	38.4
Homelessness (DCLG)	15.7	11.0	12.3
Crosscutting Workstream			
Corporate services (DCLG)	103.0	191.0	197.2
Procurement (DCLG)	57.2	111.5	137.8
Productive time (DCLG)	55.3	57.0	71.4
Transactions (DCLG)	26.8	39.7	36.7
Miscellaneous (N/A)	52.4	98.1	94.3
GRAND TOTAL	760.4	1,143.8	1,274.4

Note: * Last year's Forward Look and Backward Look statements did not split the Local Transport and LA social housing gains into two areas as applied in this year's Forward Look statement, so these figures are shown combined. The new row arrangement will be applied to future Annual Efficiency Statements.

All the statements submitted by councils were published in full on the DCLG website on Tuesday 13 June¹. Commenting on their publication, Minister for Local Government, Phil Woolas, said:

"These figures illustrate councils' continued commitment to finding further opportunities for efficiency gains. The figures are significant and show that, if delivered, the Gershon target will be met a year early. This is good news and demonstrates the positive approach taken to efficiency... But there is still work to do and I expect local authorities to maintain their momentum and continue to strive for greater efficiency."

¹ They may be found at: <http://www.communities.gov.uk/index.asp?id=1134484>

The Ministerial Team at the Department for Communities and Local Government

The Department for Communities and Local Government (DCLG) was created on 5 May 2006 with a powerful remit to promote community cohesion and equality, as well as responsibility for housing, urban regeneration, planning and local government. The Ministerial team and their responsibilities are:

The Rt Hon Ruth Kelly MP - Secretary of State for Communities and Local Government and Minister for Women

Overall responsibility for the Department.

Phil Woolas MP - Minister for Local Government and Community Cohesion

Local Government Policy; Local Government Finance; Neighbourhood Renewal; Supporting People; Civil Renewal; Community Cohesion, Race and Faith; Fire and Civil Resilience; Cities.

Yvette Cooper MP - Minister for Housing and Planning

Housing; Planning; Planning Casework; Urban Policy; Growth Areas; Thames Gateway; Building Regulations; Government Offices; Gypsies and Travellers; Climate Change; Regional Economic Development (Including Northern Way).

Angela Smith MP - Under Secretary of State

Fire; Building Regulations; Climate Change; Local Government Intervention and Engagement; Beacon Councils; Capacity Building Fund; e-Government; Audit Commission Sponsorship; Performance Framework; Ordnance Survey.

Meg Munn MP - Under Secretary of State

Women and Equalities; Support on Community Cohesion and Faith; Gypsies and Travellers; Planning Casework.

Baroness Andrews OBE - Under Secretary of State

DCLG Business in the Lords; Planning Policy; Planning Casework; Neighbourhood Renewal (New Deal for Communities, Neighbourhood Management Pathfinders and Local Enterprise Growth Initiative); Liveability; Social Exclusion.

The short biographies below will help fill in some details on the background of the Ministers with principal responsibility for the local government aspects of the Efficiency Review:

The Rt Hon Ruth Kelly MP - Secretary of State for Communities and Local Government and Minister for Women

Ruth Kelly was appointed Secretary of State for Communities and Local Government on 5 May 2006.

She was Secretary of State for Education and Skills from December 2004.

She previously served as Minister for the Cabinet Office from September 2004 after three years at HM Treasury where she was, successively, Economic Secretary and, from May 2002, Financial Secretary.

Ruth was educated at Queen's College, Oxford, and the LSE, where she gained an MSc in Economics. She worked for The Guardian as an economics writer in the early 1990s before joining the

Bank of England. Ruth was elected to Parliament as Member for Bolton in the 1997 General Election and the following year became Parliamentary Private Secretary to Nick Brown at the Ministry for Agriculture, Fisheries and Food.

Ruth Kelly is married with three daughters and a son.

Phil Woolas MP, Minister for Local Government and Community Cohesion

Phil Woolas was appointed as Minister for Local Government and Social Cohesion at the Department for Communities and Local Government in May 2006, having formerly been Minister for Local Government at the Office of the Deputy Prime Minister from May 2005.

Previously, Mr Woolas was Deputy Leader of the House of Commons, and has held roles including Government Whip and Parliamentary Private Secretary at the Department of the Environment, Transport and the Regions.

He contested the 1995 Littleborough and Saddleworth by-election and has been Member of Parliament for Oldham East and Saddleworth since 1 May 1997.

Before entering Parliament he was Head of Communications at the GMB trade union (91-97) and previously a television producer for the BBC and ITN (88-90). He was President of the NUS (84-86). He is a graduate in Philosophy from Manchester University. He is married with two sons.

Angela Smith MP - Parliamentary Under Secretary of State

Angela Smith was first elected as the Member of Parliament for Basildon & East Thurrock in May 1997. Angela joined the Department for Communities and Local Government in May 2006. Prior to this, she worked as Parliamentary Under Secretary of State for Northern Ireland.

Previously, Angela had served in the Government's Whips Office and acted as Parliamentary Private Secretary (PPS) to Paul Boateng, Minister of State at Home Office

In 1998, Angela was one of the first MPs from the '97 intake to have her own law passed through Parliament. This was the Waste Minimisation Act, which enabled local authorities to do more to encourage the reduction of waste.

Biographies of the other Ministerial members of the DCLG can be found at our website (www.communities.gov.uk).

Beacon Awards 2006 – Round 7

Innovation by local authorities in delivering quality public services was recognised at the seventh annual Beacon Scheme awards ceremony on 20 March 2006. The Deputy Prime Minister, John Prescott, and Local Government Minister, Phil Woolas, were present to congratulate winning authorities on their achievements.

The successful authorities will receive a share of Government funding worth £3m to enhance their work in sharing best practice and drive forward further innovation across local government. This year's event saw the highest number of awards yet, with a total of 61 Beacons presented to 85 authorities across the country.

The awards were made across 10 themes including Waste and Recycling, Delivery of Quality Services through Procurement, Improving Rural Services and Transforming the Delivery of Services Through Partnerships.

Commenting on the award ceremony, Deputy Prime Minister, John Prescott said:

"I would like to congratulate all authorities who have achieved Beacon status this year. Beacon authorities help to create sustainable communities by embedding good practice across local government for the delivery of high quality public services. I hope that other authorities will be encouraged to look at what they can learn from these Beacons."

Phil Woolas, Minister for Local Government said:

"The fact is that the best of Local Government rivals, and sometimes beats, the best of business. We are on the edge of a technology led revolution in local services. These awards shine a light on the coming changes. The Beacon Scheme continues to provide a highly effective way of both celebrating and sharing excellence and the Beacons announced today will be a valuable force in helping to improve public services across the country.

"Beacons encourage strong, efficient local leadership which is essential if local government is to continue delivering successfully services for our communities. Today's event offers a real opportunity for local authorities to share best practice and inspire one another to continually strive for excellence. I would encourage local authorities who are innovating and providing exemplary services for their communities to apply for Beacon status in round eight."

The Improvement and Development Agency (IDeA) is working with the successful authorities to organise a series of learning events and activities. A booklet – New Light - highlights the Round 7 Beacons' best practice and is available from the Improvement and Development Agency (IDeA) at www.idea.gov.uk and on the DCLG website at www.communities.gov.uk/beaconcouncils

Beacon Learning Exchange

IDeA is holding a series of Learning Exchange events around each of the Round 7 Beacon themes. These include events on Service Delivery Partnership working and Procurement, the two themes most featured in Efficiency News as helping local authorities achieve efficiency gains across a broad spectrum of service areas.

The Learning Exchanges will:

- provide practical tips for service improvement;
- feature interactive workshops on the successful approaches of the Beacons;
- provide details of future activities such as open days, secondments and mentoring opportunities;
- include opportunities to network and share experiences in the exhibition room;
- be attended by relevant government departments;
- provide information on other improvement initiatives from the IDeA.

The '**Transforming the Delivery of Services Through Partnerships**' Learning Exchange is to be held on **Tuesday 27 June 2006** at the Renaissance Manchester Hotel, Manchester.

The seven beacons in this theme demonstrate a range of partnerships and services: a Very Sheltered Housing scheme; two district councils working together to provide an improved revenue and benefits service; a council and Primary Care Trust working together on services for older people; a community safety partnership between the police and the council; a district's public/private partnership to outsource services and regenerate part of the town centre; a limited liability partnership to manage the repairs and maintenance contract for council owned housing and a sub-regional partnership of 10 local authorities committed to a shared vision of joined-up services.

The '**Delivery of Quality Services through Procurement**' Learning Exchange is to be held on **Thursday 22 June 2006** at the Jurys Inn, Birmingham.

The Beacons in this theme have provided clear evidence of how their approach to procurement has made a difference to the services they deliver to their communities. They are at the forefront on the emerging procurement agenda, socially responsible procurement, e-procurement, partnering, choice and contestability. They can provide practical examples of how to use procurement to meet national objectives such as efficiency targets and CPA.

Further details on these and all of the other Learning Exchange events can be found at:

<http://www.idea-knowledge.gov.uk/idk/core/page.do?pageId=4712880>

For telephone enquiries about booking a place call 020 8660 1769. The cost of each event is £84 + VAT

Update from the Regional Centres of Excellence

Run by local government for local government, the Regional Centres of Excellence (RCEs) play an essential role in transforming council services. With a growing reputation for achievement and success, the RCEs are helping councils up and down the country to secure millions of pounds in efficiencies that can be re-invested in front line services.

Featured below are articles focusing on the North East and London RCEs, a general update on the work of the other RCEs and details of a successful away day and an upcoming procurement solutions event.

Focus on the North East Centre of Excellence

As well as developing regional capacity and skills and encouraging the development of partnerships, the North East Centre of Excellence is working to establish efficiency as a mainstream and embedded part of everyday working for local authorities and public sector organisations.

The North East Centre of Excellence (NECE) has given a high priority to establishing clear links with the local authorities and other public sector organisations in the North East region during its first 18 months. This has enabled strong collaboration to develop an effective programme of capacity building, mainstreaming efficiency and effective procurement whilst also identifying opportunities, workstreams and projects to deliver efficiencies. The programme of projects for 2006-8 is still being finalised but is estimated to have a 20-fold regional efficiency return on NECE investment as well as the significant efficiencies being gained from the region-wide spend analysis.

Close working arrangements have also been established with the NE Local Government Improvement Partnership and NE Connects (the regional E-Government Board) to ensure that the most effective and complementary relationship can be achieved providing a coherent partnership which makes sense to local authority stakeholders.

Engagement with regional partners e.g. RDA, GO, Business and the 3rd sector has led to the formation of a NE Public Procurement Forum which enhances the relationships between the procurer, intermediary and supplier sectors – providing benefits realisation from the effective implementation of the National Procurement Strategy and the National Strands strategic delivery plans. This is particularly relevant to the Sustainable Procurement work on which NECE leads on behalf of the 9 RCE's with an Action Plan due to be finalised in mid-April 2006 to assist effective collaboration and development from national, regional and local stakeholders to complement the government's Sustainable Procurement Task Force Action Plan.

Improvement through Efficiency- a 'Mainstream' Part of Business

In order to drive corporate efficiency and improvement NECE has recognised that change has to involve all sections of an organisation. In support of this approach, one of the current projects being funded by NECE is "*Mainstreaming Efficiency*".

This project sets out to provide local authorities with a practical, corporate approach for making efficiency and improvement a mainstream part of their business. The principles of the approach are based on good practice around project and programme management activities.

The first step in 'mainstreaming' efficiency and improvement is ensuring an integrated approach, enabling links to be made between projects and services across an entire authority and facilitating high-level visibility of progress and achievements. This will help to ensure that efficiency and improvement become a key element of strategic corporate management.

It is imperative that strategic directors, particularly finance directors are involved in the process of reviewing service change options, to support the development and assessment of the business case and options appraisal and consideration of Return on Investment (ROI). In other words "efficiency" must run through organisations like the words Blackpool through a stick of rock, starting with the Community Strategy and Performance Plan, all the way through to day-to-day service delivery and the performance of the individual.

All of the North East regional authorities have now been invited to collect project information which will identify key projects and initiatives, with the linkages and dependencies between them all set within the context of the overall strategic objectives and priorities of their organisation.

The information when gathered will form a Blueprint for the authority, which will enable a corporate discussion on the key transformational projects in which the authority has invested its resources. The Blueprint is a powerful tool that will support the provision of corporate leadership and direction and enable a standard approach to efficiency measurement and benefits realisation across all services.

The completed Blueprints from each individual authority will allow a regional Blueprint of all the transformational projects to be compiled. This will provide greater visibility of projects across the whole region and so increase opportunities for inter-authority collaboration, maximising the benefits for all. The regional Blueprint will be available at the end of April 2006.

Developing Regional Capacity and Skills

The North East Centre of Excellence continues to invest in the development of capacity and skills in the 25 local authorities, and other public sector bodies, with whom it works. The intention is to develop a greater efficiency, procurement and collaboration capacity across the region to be assured of a sustainable approach for the future. This includes subsidising a programme of NVQ and CIPS procurement courses, Middle Management training, Supporting People project teams development and collaboration, Gateway Review training and more recently projects to provide support in the areas of partnership development and business improvement (service excellence) techniques.

Partnership Development

Local authorities are increasingly being required to work in partnership with other authorities, the wider public sector and the voluntary and community sector to provide services to their communities. There is a high risk of inefficiency and relationship breakdown if the partners' representatives are not skilled in creating an effective partnership.

To support the development of partnership working skills of local authority officers and to enable a standard tool that can be applied universally across all kinds of partnership, NECE is subsidising the provision of a partnership development tool to North East authorities.

The tool will enable partnership managers to check that all aspects, parameters and characteristics of successful partnerships are in place and working effectively. In both the development and the ongoing management of partnerships, the toolkit will support diagnosis of weaknesses and help direct corrective actions, in effect providing the basis for continuous improvement.

Business Improvement (service excellence) Techniques

The drive for efficiency is optimised when everyone in an organisation realises that his or her actions can directly contribute to the achievement of efficiency.

To explore the potential impact on efficiency and improvement from a "bottom up" approach, NECE is supporting four pilot local authority projects that will seek to equip local authority's administration and clerical teams with the knowledge and techniques to make a measurable and sustainable improvement to their own functions. A productivity needs analysis is undertaken with the manager of the team to target "problem areas" within the current service provision. In addition to fundamental components of business improvement, such as workforce organisation and continuous improvement techniques, tried and tested methodologies such as visual management, flow process analysis and failure mode effect analysis will be covered, all of which will lead to a recognised qualification for participants and improvement in a problem area within the authority – a true win-win situation.

If you would like further information please visit www.nece.gov.uk or contact:
Efficiency - Julie Brown, Programme Manager- julietbrown@gateshead.gov.uk
Procurement - Duncan Olive, Programme Manager, duncanolive@gateshead.gov.uk
Other queries - Angela Hotchkiss, Information & Communications Officer,
angelahotchkiss@gatehead.gov.uk

Focus on the London Centre of Excellence

The London Centre of Excellence has developed a clear, planned approach to RCE Delivery that includes a specific, phased strategy.

The London Centre of Excellence (LCE) has always been clear that, as with a commercial business, growth and development has to be planned and managed. Organisations that simply react and have no focus tend to achieve very little and in commercial terms 'go-bust'.

Many councils, and indeed government departments have recognised that the case for collaboration has to be a strong one and that the main barriers are often cultural rather than technical. Shared service delivery may be highly topical, but it will be many years before it becomes a reality on a macro scale. Against this background, our strategy has been phased. 2005/6 has been about creating the collaborative infrastructure, 2006/7 will be about delivering cashable savings over and above what can be achieved by an individual council, whereas 2007/8 will be about embedding collaboration to the point that it is a cultural imperative – a first thought for any manager.

The following table sets out the key LCE goals achievements in terms of delivering the collaborative infrastructure for 2005/6:

Goal	Projects / Activities
Identifying and helping to eliminate the barriers to voluntary collaboration	<ul style="list-style-type: none"> ▪ Pan London Review of Contract Standing Orders and Financial Regulations – delivered www.lcpe.gov.uk ▪ Specific briefing document on Removing the Barriers to Collaboration (Pan London Strategy) - delivered ▪ Availability of model CSOs and clauses
Developing the standards and protocols which would allow such collaboration to take place	<ul style="list-style-type: none"> ▪ Pan London Contracts Register Service (CRS) adopted from work developed by the Procurement Agency for Essex (PAE) and piloted in the West London Alliance (WLA) ▪ Pan London Strategies – (5 now published) ▪ Development and adoption of a standard procurement (ProClass) classification – set to become a local government standard
Ensuring that the regional bodies are in place and working to support collaboration and delivery expectations	<ul style="list-style-type: none"> ▪ Review of the future funding and role of the London Contracts & Supplies Group (LCSG)
Gaining awareness about the LCE and what it can deliver – at least at a chief officer level	<ul style="list-style-type: none"> ▪ Re-branding and launch of new LCE website in line with proactive Marketing and Communications Strategy ▪ Presentations to pan- London committees including CEOs, Treasurers, Social Services, Housing, Environment and Auditors ▪ Presentations to Management Boards and Member groupings ▪ Baseline survey undertaken in May 2005 – due for repeat in May 2006
Targeting resources where the earliest returns on investment were likely, informed by regional expenditure analysis	<ul style="list-style-type: none"> ▪ Repeated Expenditure Analysis for 2004/5 following on from 2003/4 ▪ Launch of specific commodity/service projects including energy, insurance temporary agency staff, ICT hardware, telecoms and management consultancy

The LCE 2006/7 Business Plan *Delivering Results* is available for download on www.lcpe.gov.uk.

The other Regional Centres of Excellence provide an update on work completed and future projects relating to the efficiency agenda.

Corporate and Transactional Services

East Midlands RCE

The creation of a partnership arrangement for the provision of **external legal services** across the region could deliver £2.5 million in cashable savings and £3.2 million in non-cashable savings over a five year period. These will come from a reduction in hourly rates, training costs and conference facilities, seeking Counsel opinion and external research services. The move is being supported by the development of a website for sharing legal opinions and legal intellectual property. Funded by the RCE, the partnership serves 17 councils but is available for all 45 councils in the East Midlands.

North West RCE

Discussions have taken place with VOCA (formerly BACS) about opportunities to reduce the cost of **processing receipts and payments transactions** through better use of automated payments. VOCA has produced an analysis of payments by each local authority in the region. Initial indications show that some local authorities should be able to achieve significant savings and that the potential throughout the North West could exceed £2 million.

Yorkshire and the Humber RCE

The Leeds City Council's innovative **Digipen project** is anticipated to generate almost £600,000 in cashable and non-cashable savings per year. Part funded by the RCE, the initiative allows home care assistants to send care information directly to corporate ICT systems from patients' homes through a secure mobile link, thereby speeding up the process and improving patient care. The initiative won the Socitm and Solace Local Government IT Excellence Awards. Further details of the project are included in the case study article [below](#).

Procurement of Commodity Goods and Services

East of England RCE

Following a research report commissioned by the Procurement Agency for Essex and funded by the RCE, agreement has been reached to use the Office of Government Commerce framework contract for **energy procurement**. Covering gas and electricity, this key decision forms part of the initial stages of the formation of a new energy forum within Essex which includes 15 authorities and covers over 5,000 sites. It is estimated that the forum can expect to save 13.4% or £1.7m on a total annual spend of £12.6m in Essex.

East Midlands RCE

The first phase of the **e-auction programme** started in March with e-auctions being held for **wheelie bins and print consumables**. The wheelie bin e-auction achieved a 15% saving which equates to £370k and the print consumables achieved a 26% saving, equating to £700K. However, these figures could increase significantly to some £5 million over the three year contract period. It is important to note that these ESPO contracts can be accessed by all local authorities in England. Indeed, if all authorities had committed to the national quantum, estimated savings of £40 million could be achieved over the three years.

North West RCE

The Association of Greater Manchester Authorities and a number of neighbouring authorities are looking at the possibility of jointly buying **local authority transport fleets** as well as agreeing standardised maintenance contracts. Benefits should include greater value for money through bulk buying, greater sharing of human resources and vehicle assets, and higher quality vehicles.

A purchase spend analysis project that is being carried out with local authorities in the region has revealed strong evidence for improved procurement practices to reduce transactions and deliver efficiencies. The councils' total spend amounts to more than £2 billion which is made up of a staggering 1.2 million transactions. Almost a quarter of the councils' total spend is on transactions with a value up to £5,000 and these make up more than 93% of the councils' total number of transactions. So far, 16 analyses have been completed with a further six authorities signed up.

A project to support councils wishing to take up **procurement cards** is being run by the RCE. It has agreed a procurement card provider and a business case is being made available to local authorities in the region.

West Midlands RCE

A **virtual procurement hub** is being established to offer a dedicated resource to authorities looking for support across the full range of procurement activities. To kick-start the process, the WM RCE has retained the services of Will Parsons from Qualitar Consulting to host a help desk to offer speedy and expert advice on procurement matters. Guidance documentation and bespoke training is also being provided as part of the service.

Yorkshire and the Humber RCE

Significant progress has been made on the **Supplier and Contractor Management System**. Design and configuration phases are underway and workshops have been held with all 22 authorities in the region. Ten authorities are due to go live mid-June with the remainder implementing the system in September.

Construction Procurement

East Midlands RCE

Bob King, working on the construction national lead project for the RCE, was one of the keynote speakers at the **Excellence in Construction** conference held in Nottingham in March. He presented the preliminary findings from his national research into exemplar frameworks. His final report, which identifies exemplar framework agreements, performance measures and issues surrounding sustainable development, was showcased at a national event on 9 May.

The conference also brought together key speakers to present how their organisations are influencing the local authority construction agenda, how the Constructing Excellence agenda is being applied and what benefits have been achieved as well as hearing about best practice. All the key presentations are available on the [East Midlands RCE website](#).

Adult Services

South West RCE

On 22 March, the Chief Executive's Management Board gave the green light to release £300k to support the **Adult Services Learning Disability (LD)** project programme which should deliver over £2.7m pa in efficiency gains. LD consumes about 15% of the Adult Services budget and is the fastest growing element. The programme of work is strongly supported by the regional branch of the Association of Directors of Social Services (ADSS) and their affirmation was key to getting the green light from the Board. The LD programme is focussed on supporting approaches to joint commissioning and planning across the region. The LD programme concentrates on seven areas:

- Fair pricing tool
- Provider information and demand database
- Care pathways analysis
- Common processes and documents for LD commissioning
- Support to develop one or two exemplar LD commissioning strategies
- Development and piloting of model partnerships with providers
- Provider best practice forum

Children's Services

East of England RCE

The RCE has committed £200K to fund the development of joint commissioning and procurement by the region's **Children's Commissioning Forum and the Contracting Consortia**. Key outcomes will be delivery of a regional joint commissioning strategy for fostering provision and the development of a residential service specification for children with severe and challenging behaviour. The project is being led by Sue Cook, Head of Looked After Children at Essex County Council.

Justine Henderson, project manager, explained that ten local authorities in the region were participating in data mapping activity to identify existing purchasing behaviours in a bid to inform opportunities for smarter procurement decisions. It is also anticipated that the project will help to identify ways to increase capacity within the region.

West Midlands RCE

A draft report and action plan framework on the delivery of efficiencies in relation to the **Every Child Matters (ECM)** agenda has been circulated for consultation. The subsequent implementation of the framework will seek to embed efficiency within ECM for example through multi-agency working.

£375,000 has been approved for the development of a regional strategy to rationalise children's placements across the West Midlands. A consultant has been appointed to work on a commissioning framework which will lead to a significant increase in the quality of the service and help to curb the escalating costs associated with the care of children.

South West RCE

The first meeting of the repurposed **Children's Services Commissioning Forum** kicked off in Taunton on 2 March and was well attended by SEN, social care and health representatives from

across the region. The forum aims to co-ordinate commissioning across the South West, collaborate on regional aspects of commissioning strategies and to support the project programme funded by the Regional Centre of Excellence. The programme is expected to deliver just under £3m pa in efficiency gains from 2007/08. It focuses on three key areas:

- Children's Services provider information and demand database
- Development and piloting of model partnerships with providers
- Provider best practice forum

Social Housing

Yorkshire and the Humber RCE

The **South Yorkshire Decent Homes Forum** has advertised in Official Journal of the European Union (OJEU) for expressions of interest for heating systems, bathroom suites and vinyl flooring and intends to hold three simultaneous e-auctions in July. The combined value of the auctions is about £100 million making it the biggest public sector e-auction for housing related items.

Cross Strand News

West Midlands RCE

On 21st February a successful conference was held, as part of the Regional Improvement and Efficiency Partnership, to focus on the improvement and efficiency agenda. The event attracted over 60 senior managers from local authorities in the region and keynote speakers were Minister for Local Government, Phil Woolas MP, and Sue Reid of the Department for Communities and Local Government. Delegates also had the chance to hear best practice examples from authorities across the region during the day.

West Midlands RCE

The Regional Improvement and Efficiency Partnership has appointed two new key members of staff to its team. Andy Hancox, currently seconded to the Prime Minister's Delivery Unit from the Borough of Telford and Wrekin, will take up the role of Director of Improvement Programmes in early May following the departure of Heather Jasper. The post will cover the management of the RCE as well as the region's Capacity Building Fund and West Midlands Connects programmes. Tony Ashfield joined the Centre from Cotswold District Council on 13 March as Programme Manager and will be responsible for the delivery of the £6m Capacity Building Fund.

Yorkshire and the Humber and North East RCEs

A successful joint Annual Efficiency Statement guidance workshop was recently held at Leeds Town Hall. DCLG officials travelled from London and delivered presentations on key areas and were on hand to answer questions from attendees.

Yorkshire and the Humber RCE

The regional Efficiency Forum met for the second time and this meeting proved highly beneficial in determining the future strategy and identifying the key areas for the RCE to focus its attention.

e-Support and Training

South West RCE

A skills development programme has been launched by the RCE which will provide development for middle tiers, in value for money, managing risk and developing business cases. The RCE will run about 50 events between now and March 2008 accommodating about 600 people. Further details are available on its website.

South East RCE

The South East RCE boosted support to local authorities by launching its [new website](#) which has already received positive feedback. The website is designed to support local authorities at a variety of levels, from those who are entirely new to the RCE and are looking for opportunities to improve service efficiency to professionals seeking specialised advice and guidance. Developed to act as a practical tool for local authorities, the website is full of projects, useful advice, guides and best practice information.

The South East RCE remains committed to ensuring that good practices and new initiatives within local authorities are widely available and easily accessible. The launch of their new website is a move closer to this goal. During April and May, the new forum on the ESD Toolkit was piloted allowing local authorities to discuss efficiency and procurement issues in a secure environment. This can be viewed at: www.esd.org.uk/integratedforums/?skin=rce.

As the RCE team is often out and about in the region, the e-mail system has been enhanced. For general enquiries, contact enquiries@sece.gov.uk or contact a member of the team at firstname.lastname@sece.gov.uk. See the [website](#) for further details.

Procurement Solutions event

The Regional Centres of Excellence are delighted to be a co-sponsor for this year's Procurement Solutions event at Earls Court, London on 20 and 21 June. With over 4,000 visitors anticipated, the event marks an excellent opportunity for the RCEs to engage with senior managers, policy makers, procurement specialists and the wider procurement world.

The RCEs have secured two keynote speakers – Steve Holland, the RCE lead on the Commodities, Goods and Services (CGS) national action plan and Colin Whitehouse from the DCLG's Local Government Modernisation and Efficiency division. The RCEs are also hosting workshops covering the five strands of the CGS action plan – e-procurement, market intelligence and analysis, strategic commodity markets, procurement landscape and sustainable procurement. More information can be found at www.procurementsolutions.gov.uk

Permanent Secretary visit crowns successful away day

The Permanent Secretary of the DCLG, Peter Housden, joined the chief executives and regional directors' away day to outline the challenges facing local government and to hear at first hand about the work of the Regional Centres of Excellence.

The successful event marked the first time that chief executives, regional directors and senior civil servants had come together to examine important areas of RCE work, to celebrate achievements and to start planning for the future of the programme.

For more information on the work of the Centres access their websites or contact them through our national website gateway www.rcoe.gov.uk

The Centres are supported by a Programme Management Team who can be contacted on 020 7944 4145.

News Round Up

Efficiency Progress Report Published

The National Audit Office (NAO) has published *Progress in Improving Government Efficiency*.

Some of the key findings of the report include:

- Progress is being made towards the £12.5 billion Gershon efficiency target.
- The Office of Government Commerce is now providing thorough monitoring and challenging departments' progress.
- Because of the extent of risk, efficiencies may not be measured accurately.

The report can be viewed on the [NAO website](#)

NAO, 17/02/06

DCLG Publish E-Government Figures

The Department for Communities and Local Government has published a summary of English local authority Implementing Electronic Government (IEG) 5 statements.

80.9 per cent of councils reported the 29 required outcomes as complete, whilst 1.9 per cent of councils are still in the primary research phase. The report also details efficiency savings made due to the implementation of e-government schemes and

finds that 377 local authorities expect to make savings.

The summary document can be viewed in full on the [Local e-Gov website](#).

eGov Monitor, 27/02/06

New Report Aims to Cut Local Authority Bureaucracy

The Cabinet Office's Better Regulation Executive (BRE) and the Department for Communities and Local Government (DCLG) have published a report entitled *Consent Regimes - Reducing Unnecessary Bureaucracy*.

The report aims to cut unnecessary bureaucracy and give local authorities greater autonomy from Whitehall by reducing the number of situations that require Whitehall approval.

Changes to consent regimes contained in the report include:

- 21 consent regimes that government departments have approved for removal.
- 11 consent regimes that will be consulted externally on whether to improve or remove.
- 14 consent regimes that will be consulted internally on whether to improve or remove.

The report is available in full on the [Department for Communities and Local Government website](#).

GNN, 09/03/06

Internal Audit Partnership Agreed

Maidstone and Ashford Borough Councils have signed an agreement to provide a joint internal audit service.

The two councils will both be audited by the newly combined team with the aim of sharing information as well as making efficiency savings.

Reproduced with Permission of Municipal Journal
MJ 09/03/06

Treasury Publish PFI Report

A new HM Treasury report, *PFI: Strengthening Long-term Partnerships*, outlines the government's approach to its PFI investment programme and details ways to strengthen partnerships with the private sector.

The document sets out the results of HM Treasury research illustrating that PFI projects are meeting public service requirements and highlights the steps the government is taking to strengthen PFIs by introducing measures to:

- Improve further the operational performance and flexibility of PFI projects.
- Bolster public sector PFI procurement professionalism.

The full report is available on [HM Treasury website](#).

HM Treasury, 22/03/06

Government to Create PFI Task Force

The Government is to create an operational task force

designed to help councils get the best out of private finance initiatives (PFI).

The task force, which will be led by Partnerships UK, aims to help councils and their PFI project managers to achieve better contract management.

Initial plans for the task force include the establishment of an expert group and an operational helpdesk. The task force will also look at a limited number of changes to the standard PFI contract.

Reproduced with Permission of Municipal Journal
MJ 30/03/06

4ps Issue New Workforce Guidance

The Public Private Partnership Programme (4ps) have released new guidance designed to assist local authorities with the staffing issues associated with transferring employees to and from other public, private or voluntary sector providers.

The guidance addresses:

- The application of Transfer of Undertakings - Protection of Employment Regulations (TUPE).
- Pension arrangements.
- Other general employee provisions, including Criminal Record Bureau checks, access to sites

and policies and procedures, which should be included in all local authority service contracts.

The guidance can be viewed in full on the [4ps website](#).

4ps, 03/04/06

Public Sector Postal Service Recommendations Published

The National Audit Office (NAO) has published a report, *Improving the efficiency of postal services procurement in the public sector*.

Some of the key findings of the report are as follows:

- An estimated £31 million a year could be saved across the public sector by 2008/09 through the efficient management of postal services.
- The public sector spends £650 million a year on post, 10% of the total UK postal market.
- Significant improvements have already been made by some central government departments by improving address data.

Further information and a copy of the report are available on the [NAO website](#).

NAO, 05/04/06

DCLG Announce Bids for Housing PFIs

The Department for Communities and Local Government (DCLG) has announced that 14 more councils will bid for PFI investment in better homes and social rented housing. Although the names of the bidding councils are yet to be announced, they include nine new-build schemes and five decent homes and local regeneration projects.

An announcement will be made in Summer 2006 about whether the bids have been successful or not.

Reproduced with Permission of Municipal Journal
13/04/06

Publication of Update on PFI Debt Re-financing and the PFI Equity Market

The National Audit Office (NAO) has published an *Update on PFI Debt Re-financing and the PFI Equity Market*.

Some of the key findings are:

- The Government has secured gains of £137 million from PFI debt re-financing under new arrangements introduced by the Treasury in 2002.
- New sharing arrangements appear to be working well but there

have been some exceptions.

- The profitability of projects following re-financing has varied.
- There is an emergency secondary market, where investors sell on their shares in PFI projects. This has happened in 40% of projects.

Further details and a copy of the report are available on the [NAO website](#).

NAO, 21/04/06

UK's Largest Public-Private Legal Partnership Unveiled

18 local authorities from throughout the East Midlands have combined with 4 law firms to create the UK's largest public/private legal partnership.

The project, entitled East Midlands Law Share, is expected to deliver savings of £2.5 million over four years.

The law firms involved in the partnership are Ashfords, Browne Jacobson, Freeth Cartwright and Weightmans, whilst the local authorities include Nottinghamshire and Derbyshire County Councils, Bolsover District Council and Nottinghamshire Police Authority.

Reproduced with Permission of Municipal Journal
27/04/06

Audit Commission report into Direct Debit Saving Published

The Audit Commission has published guidance to help councils and housing associations with the uptake of direct debit services.

The report, entitled *Improving Income Collection: Efficient Collection of Council Tax, Housing Rent and Other Income by Direct Debit*, follows on from an earlier report entitled *The Efficiency Challenge: the Administration Costs of Revenues and Benefits* and examines ways that councils can improve collection of tax through direct debit.

The report addresses local authority concerns about closing cash offices and suggests that even in the most deprived areas, high levels of council tax and rent

collection by direct debit are possible.

The report can be viewed in full on the [Audit Commission website](#).

Audit Commission, 10/05/06

Publication of Early Market Engagement - Principals and Examples of Good Practice

The Office of Government Commerce (OGC) has published *Early Market Engagement - Principals and Examples of Good Practice*.

The document is aimed at people that are involved in public sector procurement and contains guidance on successful early market engagement.

A copy of the document is available on the [OGC website](#).

OGC, 12/05/06

PFI Evaluation Framework Published

The National Audit Office (NAO) has published a report, *A Framework for Evaluating the Implementation of Private Finance Initiative Projects*.

This sets out the issues that need to be considered when evaluating the effectiveness of a Private Finance Initiative (PFI) project through its entire lifecycle.

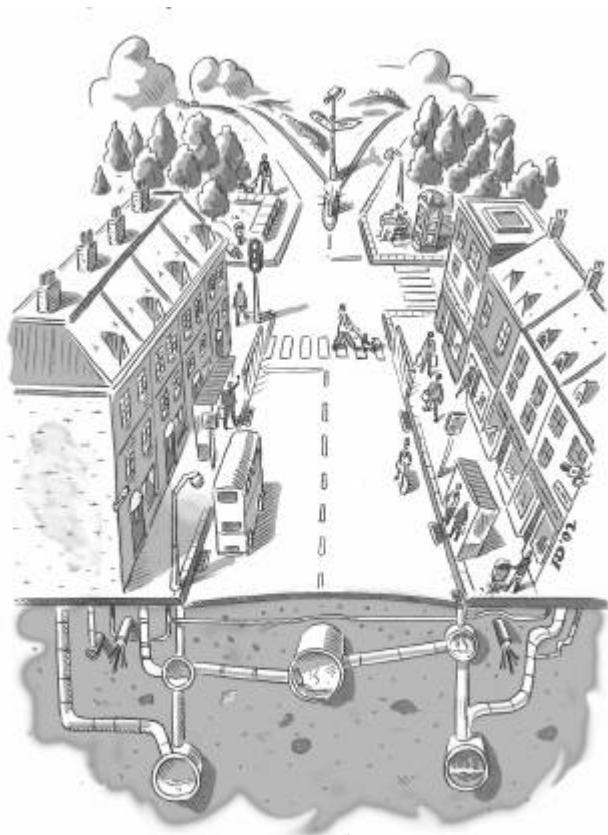
Volume one of the report can be viewed [here](#), whilst volume two is available [here](#).

NAO, 15/05/06

Delivering Efficiency in Street Scene

4ps is offering support and advice to all local authorities seeking to bid for the Department for Transport's £600 million of PFI funding for highways management and street scene schemes announced in February 2006.

Highways and street management is one of the few services that affects everyone. The public wants safe, attractive, clean and accessible streets and the existing highways management and street lighting PFI schemes are already helping to deliver this. The Department for Transport's latest announcement will enable even more authorities to take advantage of PFI to deliver a holistic highways management or street scene service.



Jaime Audit Commission

more effectively to the public's aspirations.

There are a small number of local authorities that have led the way in taking a more holistic approach to street scene delivery. Some, with 4ps support, have gone even further and looked at the whole life and whole service benefits of procurement through the PFI.

Portsmouth City Council is the first local authority to use PFI as an integrated approach to highways and street management. It signed the first highways management and street scene project to be procured through the PFI on the 30 July 2004. Portsmouth City Council awarded the ground breaking £500 million contract to Colas, and from January 2005 Colas assumed responsibility for all aspects of

'Everyone has regular contact with the street scene in some way or other, and numerous public surveys demonstrate that the state of the streets is high on the list of the public's priorities for local authorities to address. Streets provide the environment for much of our community life; clean, safe, accessible and attractive streets are fundamental elements of an environment that is pleasant to live in.'

'Although numerous people have rights to use streets in various ways, local authorities must take overall responsibility for stewardship of the street scene.'

These extracts from the Audit Commission's report on *Street Scene* were published in 2005. As part of its review, the Audit Commission highlighted the fact that street scene has traditionally been managed as a series of narrowly defined, specialist elements. The report recommended that a co-ordinated, holistic approach involving a broad review of all services affecting street scene would enable authorities to respond

highways management and maintenance throughout the city for the next 25 years. The project is one of the most complex and innovative local authority PFI projects developed to date.

The Portsmouth project was initiated following a best value review of the street scene service. This demonstrated that network condition could be returned to an acceptable level, and value for money achieved, through PFI procurement. The project includes upgrading some 414 kilometres of highway network, including roads, bridges, street lighting and footways over a core investment period of five years. Colas are also responsible for the day-to-day fence-to-fence management and maintenance of the highways network.

During the first six months of operations, Colas undertook 40 road construction schemes. This compares with three or four schemes previously undertaken annually. Colas installed 850 new lamp columns, compared to an average of 200 under the old contract. The residents of Portsmouth have seen considerable change within the city, which is reflected in reduced level of complaints.

A briefing on the Portsmouth project has been produced by 4ps to support other authorities considering similar projects. In it, the leader of Portsmouth City Council, Gerald Vernon-Jackson, says: "Our PFI is not only revolutionising the way that roads are managed and maintained...it is also offering a one-stop shop for many other aspects of the street scene, including road cleansing, pot-holes, as well as bringing street lighting up to modern standards and managing the highways with regard to licenses and inspections...the bottom line is the positive reaction that we have had from most residents to the speed, efficiency and quality of the investment works. They've noticed a big difference."

4ps were first approached by the City Council when the best value review was being undertaken and the future challenges to the highways management and street scene service were emerging. 4ps helped Portsmouth City Council in the consideration of procurement options and in the assessment of scale and scope options for the project. 4ps then helped Portsmouth secure PFI funding from Department for Transport for the project, and subsequently became a member of the project delivery team for the project, assisting at all stages of the procurement through to financial close.

Looking to the future, a second £2 billion highways management and street scene PFI project for Birmingham City Council has been approved and awarded PFI funding of some £379 million. This follows a similar structure to the Portsmouth scheme, albeit there are some differences in the scope of the project. Birmingham City Council is currently preparing the documentation for seeking best and final offers (BaFO) from two bidders. 4ps is also providing support and advice to Birmingham City Council and is a member of the project delivery board for the Birmingham scheme, currently assisting the City Council with the preparation of the BaFO documentation.

Local authorities interested in developing PFI schemes have until September 2006 to develop and submit bids for the Department for Transport's new bidding round. Support and advice is available from 4ps for any authority wishing to consider the development of a highways management and street scene PFI or PPP project.

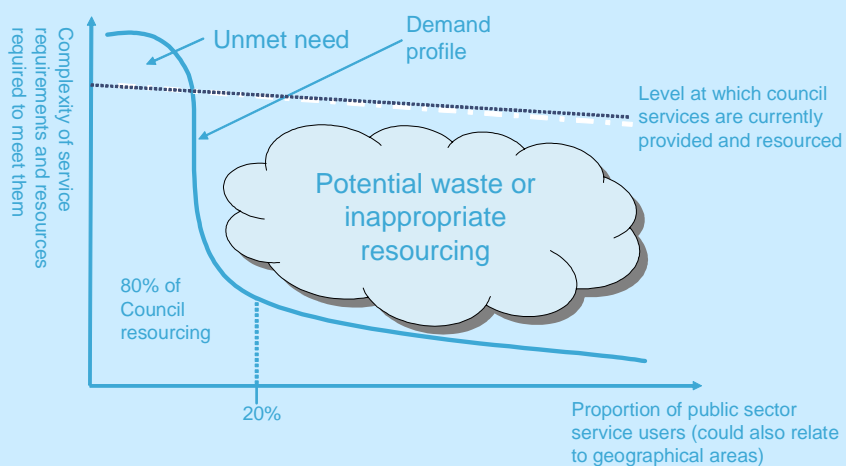
For further advice on developing a highways management or street lighting PFI or PPP scheme please contact Yousof Khan at Yousof.khan@4ps.gov.uk or John Reed at john.reed@4ps.gov.uk or David Locke at david.locke@4ps.gov.uk. 4ps' briefing on the first highways management PFI scheme at Portsmouth City Council can be downloaded from 4ps' website at www.4ps.gov.uk

Delivering Change, Making Savings and Meeting Customer Need

Michael Kitts, a Director with PricewaterhouseCoopers' Local Government Advisory Business, addresses the challenges of delivering innovative solutions that both make savings and also meet the changing needs of service users.

Much of the efficiency challenge to date has focused on ensuring delivery in the first year, but it is interesting when interacting with local authorities to see that budget imperatives are now driving cost reduction to a greater extent than Gershon targets. We recently talked to counties and unitaries that required cuts of £20million plus in order to balance their budgets. This might equate to 5% or more of budget – twice the Gershon target, much more when we take out items over which councils have little control, such as education and elements of social care. So, regardless of rationale, cost reduction is now a key requirement of UK local government.

We should also recall that a large part of Gershon was about making savings in the back office that, in part, could be redirected to the front office – the things that make a difference to people's lives. But how many authorities understand demand for their services and what would really make a difference, from citizens' perspective? Our experience suggests the following:



In this diagram the vertical axis tracks the complexity of service demand and consequent resources required to meet it. The horizontal axis looks at the proportion of citizens displaying those traits.

Experience of delivering public services suggests that:

- A relatively small number of citizens consume a disproportionate amount of local authority resources – using the Pareto Principle we can conclude that 20% of residents consume 80% of resources. For example, in southern Birmingham, data suggests that only 500 people consume 12% of the PCT's resources. This demand pattern is shown in thick blue curving line.
- The consumers of large volumes of local authority services are very often large consumers of other public sector services because of their complex needs and issues
- Customers or citizens are most dissatisfied in being passed from pillar to post rather than having life event based public services.

We would therefore suggest that a significant impact in customer satisfaction within public services could be secured by having a more customer-centric and joined-up approach focusing on recipient not delivery satisfaction. Examples already exist overseas and are being emulated in Birmingham.

We should then compare this with supply. Our experience suggests that there is insufficient segregation or tailoring of service provision as compared with demand. Service delivery is often too homogeneous (as the dotted straight line in the diagram shows). Service delivery can be thought of in two ways: What is delivered and how it is delivered.

Based on current supply patterns, for some customers, too much is delivered in the wrong way and this implies potential over resourcing or waste that could be improved from an efficiency perspective.

Two examples illustrate the point:

- Council tax billing – everyone gets a thick bundle of papers that cost a fortune to prepare, print, publish and post – many (the author included) would much prefer a much less costly PDF delivered to their inbox
- Congestion charging – over 65% of people pay by text message costing very little. The alternative might be a very resource intensive cheque based approach. By spending less money the collection agents have generated more customer satisfaction.

But how could you take these ideas and a better understanding of your customers to better match supply with demand and save money?

E-government is the classic example. How many authorities see e-channels as an add-on rather than a substitution? We all know about technological exclusion, but if we understand customers better, we can serve those with technology where it suits them and reinvest the money saved from more traditional channels into better services for those that really need them.

If we take the assertion that there is commonality around the customer base for most public services, a potential model of shared services is around a joined-up front office, focussing on citizen needs (for example the Worcestershire Hub), a role for the democratically elected individual council in orchestrating public (and other) resources under the civic leadership banner and larger transaction services based centres serving multiple delivery agencies. Effectively, a hub and spoke approach. In such a model, councils and others, can secure scale economies in the hub and provide much more tailored services in the spokes. In some communities this might be a joint service centre or could be more e-based for communities of similar interest, but with large geographical distribution.

We are therefore content that the efficiency agenda has to change, but change is not just about doing less of the same or even spending less on doing the same. Change is about doing things differently, in different ways. Our view is therefore that authorities need to change how they think about citizens, and then design service delivery to better meet their needs. The ultimate goal must be to spend less on delivery and yet achieve more satisfaction. Some are doing this, but it requires a radical change around understanding the customer far more than ever before and then responding with the services and delivery methods that are needed.

If you require further information about this article or wish to discuss the contents in more detail please contact michael.kitts@uk.pwc.com

Energy Efficiency at Woking Borough Council

Woking Borough Council has achieved large scale savings by embedding energy efficiency in local authority practices and by engaging in a groundbreaking partnership to supply energy services.

One year ago, in March 2005, Woking Borough Council was one of seven local authorities awarded Beacon Council status for sustainable energy. However, Woking's activities in the area of sustainable energy stem back over 15 years.

In 1990/91, the Council established its Energy Efficiency Strategy. This set a target to reduce Council energy consumption by 40% in ten years. This target was achieved and exceeded – 51% reduction in energy consumption (using 1990/91 baseline figures) had been achieved as at March 2005. The indication is that this trend is continuing for 2006.

Initial reductions were achieved by embedding energy efficiency practices and measures into the Council's Replacement Programme for its own properties i.e. the incorporation of energy efficient lighting using CFLs and sensors and waterless urinals (water is often forgotten but is a high energy user). A ring-fenced fund of £250,000 was created in order to pursue energy efficiency saving projects. Any financial savings achieved by measures installed would be ploughed back into this ring-fenced fund. The Energy Efficiency Strategy is now embedded in the Council's Climate Change Strategy (adopted in December 2002).

In 1999, the Council's wholly owned energy and environmental services company, Thameswey Limited, was established. Soon after, Thameswey Energy Limited (TEL) was created as a public/private joint venture company, now 90% owned by Thameswey Limited (10% is owned by Xergi Limited, Danish contractual partners). TEL aims to finance, build and operate small scale Combined Heat and Power (CHP) stations to provide energy services to institutional, commercial and residential customers. With these companies, Woking Borough Council was now able to pursue larger scale projects with larger associated energy efficiencies.

The largest CHP project in Woking is the Town Centre Energy Station. This was the first commercially operating energy station of its kind in the country. The station uses CHP technology to produce environmentally friendly energy services. Customers include: Woking Borough Council's Civic Offices; the Holiday Inn hotel; Big Apple leisure complex and Metro Hotel; HG Wells Conference and Events Centre; Quake Nightclub and Victoria Way Car Park.

At the other end of the spectrum, Woking Borough Council recognises that energy efficiency needs to be achieved at local householder level. At the beginning of February 2006 a questionnaire was sent out to each household in the Borough with the aim of collecting information on energy efficiency. The information collected will enable the Council to report a more robust picture of energy efficiency in its annual Home Energy Conservation Act (HECA) report and will also have the added benefit in that it will enable the Council to gain a better understanding of where in the Borough home energy promotional material should be targeted.

Each householder that completes a questionnaire receives a tailored Home Energy Report containing information on grants available to help them save energy and money. This project is being run in partnership with the Energy Centre for Sustainable Communities (ecsc).

For more information on Woking Borough Council's sustainable energy projects, please contact Lara Curran, Climate Change Officer by telephone on 01483 743444 or by email lara.curran@woking.gov.uk

Best Practice: Creating Efficient Delivery Chains

As part of the recent joint National Audit Office and Audit Commission report entitled [Delivering Efficiently: Strengthening the Links in Public Service Delivery Chains](#), a self assessment tool entitled 'Are you ready to deliver?' was produced.

The tool is designed to allow local authorities and government departments to assess the effectiveness and efficiency of project 'delivery chains'. Delivery chains are defined as the 'complex networks of organisations, including central and local government agencies, and bodies from the private and third sectors, that need to work together in order to achieve or deliver an improved public sector outcome.'

The self assessment tool takes the form of 12 questions that project managers are required to ask in order to ensure that the networks of communication and cooperation between different bodies operate as efficiently as possible.

The self-assessment questions include:

- Is the required outcome sufficiently clearly defined?
- Do local, regional and national levels communicate regularly using reliable information so that there is good coordination?
- Are the risks to the delivery chain well managed?
- Do performance management systems keep delivery on track?

The self assessment tool requires that each of the 12 questions is answered with a red, amber or green statement, for example the 'Is the required outcome sufficiently defined?' has the following possible responses:

- **Red** - Target is vague or can only be measured by a suite of measures
- **Amber** - Target is clear and unambiguous but no coherent strategy
- **Green** - Success is clearly defined by a target that is unambiguous and supported by a comprehensive, well understood strategy.

Answers to questions are scored and once totalled can be measured against a scale that ranges from 'High Risk of Failure' to 'Highly Effective and Efficient'. The report includes a section on 'Making delivery chains more efficient' in order that an unsatisfactory score generated using the self-assessment tool can be addressed in order that a satisfactory outcome be found.

The report is based on the findings relating to delivery chains encountered in the production of three previous reports, *Building More Affordable Homes: Improving the Delivery of Affordable Homes in Areas of High Demand*, *Delivery Chain Analysis for Bus Services in England* and *Tackling Child Obesity – First Steps*.

The report - including the self assessment tool - can be viewed in full on the [Audit Commission website](#).

Case Study: Leeds City Council Digital Pens in Social Care

Recently recognised at the Intellect, Socitm and Solace Local Government IT Excellence Awards, Leeds City Council's Digital Pens Project is not only making administration easier for Social Services Community Support Assistants but is also delivering efficiency savings.

The starting point for Leeds City Council's Digital Pens in Social Care project came when Home Care managers approached the Social Services ICT team to explore a smarter way of working to improve the efficiency and effectiveness of their operation.

Traditionally Home Care staff had recorded the tasks and activities undertaken in clients' homes by manually completing and filing paper forms. This required significant amounts of time to be spent on the processing and management of paper work. This was allied with the problem of transcription errors when transferring the data to electronic systems and issues of storing and recovering paper records.

The project put forward by the Social Services ICT team provides an innovative and workable alternative to paper records. Under the scheme, the Home Care staff complete a form using a digital pen which, by recording a special pattern printed in the background of the form, records the pen strokes made. These pen strokes are then transmitted (via a mobile phone using Bluetooth and GPRS technology) to a central computer where the information is recorded. Since the data has been stored, there is no need to retain the form which can be left with the client for their records.

There are several fundamental benefits to the Digital Pens project:

- It reduces the administrative burden on Home Care staff, allowing them to spend more time on frontline services.
- It provides efficiency savings – the rollout cost of the project is scheduled to be £2.1 million with savings of £1.2 million over three years.
- The ability to report on Home Care services will provide an additional £250,000 of annual grant funding.
- The capturing of data at source and the creation of a full electronic audit trail reduces staff costs.

Starting with a pilot of 10 users and growing to 120 users, the project is scheduled to be rolled out to a total of 1,400 Home Care staff across the city.

The project, which was partially funded by the Yorkshire and the Humber Regional Centre of Excellence, was recognised as the winner of the recent Intellect, Socitm and Solace Local Government IT Excellence Awards. The Digital Pen and Paper scheme was selected from 34 nominees and was picked for its simplicity, ease of use and because it offered clear benefits for users and clients.

For further details about the project please contact Ian Jones at Leeds City Council at ian.jones@leeds.gov.uk

Useful Links

Modernisation and Efficiency Division

Department for Communities and Local Government
3/G5, Eland House
Bressenden Place
London
SW1E 5DU
E-mail: med@communities.gsi.gov.uk
Web: [Better Public Services](http://www.betterpublicservices.gov.uk)

Department for Communities and Local Government

Eland House
Bressenden Place
London
SW1E 5DU
Tel: 020 7944 4400
Web: <http://www.communities.gov.uk>

The Employers Organisation

Layden House
76-86 Turnmill Street
London
EC1M 5LG
Tel: 020 7296 6781
Web: <http://www.lg-employers.gov.uk>

Improvement & Development Agency and IDEa Knowledge

Layden House
76-86 Turnmill St
London
EC1M 5LG
Tel: 020 7296 6693
Web: <http://www.idea.gov.uk>
IDEa Knowledge: knowledge@idea.gov.uk

Ourpartnership

c/o NCVO
Regent's Wharf
8 All Saints Road
London
N1 9RL
Telephone number: 0207 520 2428
Web: <http://www.ourpartnership.org.uk/>
E-mail: info@ourpartnership.org.uk

4ps

South Entrance
7th Floor, Artillery House
Westminster, London
SW1P 1RT
Tel: 020 7808 1470
Web: <http://www.4ps.gov.uk>

Audit Commission

1st Floor,
Millbank Tower,
Millbank,
London
SW1P 4HQ
Tel: 020 7828 1212
Web: <http://www.audit-commission.gov.uk>

The Local Government Procurement Forum

Department for Communities and Local Government
3/H6, Eland House
Bressenden Place
London
SW1E 5DU
E-mail: procurement@communities.gsi.gov.uk
Web: <http://www.communities.gov.uk>

The Local Government Task Force

Warwick House
25 Buckingham Palace Road
London SW1W 0PP
Tel: 020 7837 8286
Web: <http://www.lgtf.org.uk>
E-mail: info@lgtf.org.uk

Constructionline and National Pre-Qualification Service

PO Box 6441, Basingstoke
RG21 7FN
Tel: 0870 607 1602
Email: constructionline@capita.co.uk or
npqs@capita.co.uk
Web: www.constructionline.co.uk or
www.npqs.co.uk

PricewaterhouseCoopers LLP

Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT
E-mail: laura.divall@uk.pwc.com

Links to the Regional Centres of Excellence

East of England Centre of Excellence

Centre of Excellence East of England
East of England House
Meridan Way
Norwich
NR7 0TA
Tel: 01603 704 010
Web: <http://www.eastspace.net/eecpe/>

East Midlands Centre of Excellence

East Midlands Centre of Excellence
47 Loughborough Road
West Bridgford
Nottingham
NG2 7LA
Tel: 0115 977 3875
Web: www.emce.gov.uk

London Centre of Excellence

London Centre of Excellence
Association of London Government
59½ Southwark Street
London
SE1 0AL
Tel: 020 7934 9967
Web: www.lcpe.gov.uk

North East Centre of Excellence

North East Centre of Excellence
Gateshead Civic Centre
Regent Street
Gateshead
NE8 1HH
Tel: 0191 433 2257
Web: www.nece.gov.uk

North West Centre of Excellence

North West Centre of Excellence
Tameside Metropolitan Borough
Council Council Offices
Wellington Road
Ashton-under-Lyne
OL6 6DL
Tel: 0161 342 4080
Web: www.nwce.org.uk

South East Centre of Excellence

South East Centre of Excellence
Kent County Council
Sessions House Room 1.60
Maidstone
Kent
ME14 1XQ
Tel: 01622 696 317
Web: www.kent.gov.uk/sece

South West Centre of Excellence

South West Centre of Excellence
Suite 5
Stowey House
Bridport Road
Poundbury
Dorchester
Dorset
DT1 3SB
Tel: 01305 757 230
Web: www.swce.gov.uk

West Midlands Centre of Excellence

West Midlands Centre of Excellence
Sentinel House
The Courtyard
Harris Business Park
Hanbury Road
Bromsgrove
B60 4DJ
Tel: 01527 839 200
Web: www.wmcoe.gov.uk

Yorkshire and the Humber Centre of Excellence

Yorkshire & the Humber Centre of Excellence
1st Floor St George House
Great George Street
Leeds
LS1 3DL
Tel: 0113 247 5252
Web: <http://www.yhcoe.rcoe.gov.uk>

National website for the Efficiency Programme in Local Government.

Web: <http://www.rcoe.gov.uk>

Crown Copyright 2006

All rights reserved

The publication (excluding the logos) may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown Copyright with the title and source