

Efficiencies & Expenditure Reductions: Transforming the County Council (Corporate Efficiency Programme Phase Three)

The Policy & Programme Office, working to Paul Archer, are liaising closely with the efficiency workstream leads and Chief Officers to provide support, capacity and challenge. All phase two and phase three (as listed in the main table below) savings will contribute to each department's 8% cash limit reductions so it is important to maximise their yield.

<p>Reduced departmental expenditure limits:</p> <ul style="list-style-type: none"> a. 8% cash limit reduction b. Internal challenge of the services provided by the Council c. Alternative & lower cost models of provision 	<ul style="list-style-type: none"> • Each Chief Officer leading • Managing through the mainstream budget and cash limit process • Facilitation or adaptations to the format of the usual Executive Member & Leader budget discussions to be considered 	<ul style="list-style-type: none"> • Cost reduction options being discussed with Executive Members • Council-wide implications to be reported to Cabinet • Reported in line with the budget process
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The following provides an early update on the extremely strong progress against the different workstreams.

Efficiency Workstream	Approach/team	Progress Assessment
<p>1. Reducing senior management costs:</p> <ul style="list-style-type: none"> a. Grades J & above b. Grades H & I 	<ul style="list-style-type: none"> • Each Chief Officer to formulate approach & discuss directly with the Chief Executive & Leader 	<ul style="list-style-type: none"> • Chief Officers are making good progress with clear plans starting to emerge • Appropriate phasing for restructures being discussed
<p>2. Recruitment moratoria & impact:</p> <ul style="list-style-type: none"> a. Moratoria policy b. Flexible deployment c. Restructures d. Redundancy scheme e. Workforce paybill reductions f. Manage demand (inc temporary staff, agency staff & consultants) 	<ul style="list-style-type: none"> • HR to develop policies • Progress & impact reported directly to Cabinet & CMT • Progressed separately with each department 	<ul style="list-style-type: none"> • Recruitment activity continues on an increasingly downward trend • Recruitment moratoria implemented formally from the 13/9/10 • New & revised HR policies (inc redundancy process) considered at the 24/9/10 EHCC Committee

<p>3. Communications, marketing & publications:</p> <p>a. Expenditure reductions b. Staff consolidation c. Management arrangements</p>	<ul style="list-style-type: none"> • Small team 	<ul style="list-style-type: none"> • Significant mapping across the Council of associated staff has been completed • Delivery options being developed
<p>4. Democratic infrastructure:</p> <p>a. Business processes (cost) reductions b. Streamline democratic infrastructure (inc whole system, HATs & scrutiny) c. Staff deployment d. Review of the constitution</p>	<ul style="list-style-type: none"> • Small team 	<ul style="list-style-type: none"> • Comparative research complete • Mapping of associated staff undertaken • Review of constitution running in parallel
<p>5. Grant expenditure:</p> <p>a. Executive Member grants b. Value for money assessment c. Member expenditure & personal budgets/grants</p>	<ul style="list-style-type: none"> • Small team 	<ul style="list-style-type: none"> • Current Council-wide spend ascertained with value/impact assessment underway
<p>6. Area based & specific grants:</p> <p>a. Review existing commitments b. Identify risk to services c. Develop 'exit strategies'</p>	<ul style="list-style-type: none"> • Manage through the mainstream budget and cash limit process 	<ul style="list-style-type: none"> • Reported in line with the budget process
<p>7. Reduced costs associated with inspection & regulation:</p> <p>a. Staff consolidation b. Review Driving Success</p>	<ul style="list-style-type: none"> • Small team 	<ul style="list-style-type: none"> • Mapping of associated staff undertaken & alternative lower cost models being scoped
<p>8. Impact of capital expenditure reductions:</p> <p>a. Capital programme assessment of financial & staff impact b. Shared service opportunities (inc dialogue with Government) c. Income generation</p>	<ul style="list-style-type: none"> • Manage as two specific workstreams in relation to PBRS & Environment Department activity 	<ul style="list-style-type: none"> • PBRS considering shared services & consolidation options • Environment considering cross-funding & income generation
<p>9. Contract negotiations & supply chain management cost reductions:</p> <p>a. Team of specialists/ staff consolidation b. Contract negotiations & supply chain management c. Rationalise supplier base, specifications & reduce cost</p>	<ul style="list-style-type: none"> • Small team 	<ul style="list-style-type: none"> • Builds on the early successes from the phase one procurement work • Targeting highest value suppliers • Working to assess & minimise

d. Bus subsidies		inflationary elements
10. Review of new expenditure commitments	<ul style="list-style-type: none"> • Manage through the mainstream budget and cash limit process 	<ul style="list-style-type: none"> • Reported in line with the budget process
11. Income & charging: a. Increasing income b. Review charging c. Shared services d. Shared management	<ul style="list-style-type: none"> • Small team • Report through the Efficiency Panel & Board 	<ul style="list-style-type: none"> • Revisiting the long list of opportunities from the phase one work
12. Further asset rationalisation activity: a. Area team & office consolidation b. Increased land sales c. Prudential borrowing & ‘invest to save’	<ul style="list-style-type: none"> • Small team 	<ul style="list-style-type: none"> • Hampshire Workstyle & related programme being accelerated • Prudential borrowing policies being revised • Possible increased use of capital receipts for invest to save
13. Support & administrative costs: a. Consolidation of support & administration staff b. Review business processes c. Reduce internal ‘burdens’ d. Reduce costs through exploitation of IT e. Consolidation of business processes (inc central processing of invoices & internal checking) f. Increase web self-service g. Exploitation of Hantsdirect (inc use to improve front end & drive efficiencies in the back office)	<ul style="list-style-type: none"> • Small team 	<ul style="list-style-type: none"> • Mapping of work already in train being gathered • Focussed projects being scoped
14. Integration of professional functions: a. Review professional & corporate services b. Consider models of provision (inc one corporate function) c. Review learning, training & development	<ul style="list-style-type: none"> • Small team 	<ul style="list-style-type: none"> • Strategic options being considered, including a revised corporate services ‘offering’
15. Business services: a. Review business units	<ul style="list-style-type: none"> • Small team 	<ul style="list-style-type: none"> • Opportunities for increased shared services, particularly

<ul style="list-style-type: none"> b. Opportunities to change mixed economy models c. Shared service & commercial offering opportunities d. Scope to change existing contracts & models 		<ul style="list-style-type: none"> around IT, being evaluated • Reviewing business activity that could be stopped or delivered externally
16. Phase one corporate efficiency programme	<ul style="list-style-type: none"> • Reported through the Efficiency Panel & Board 	<ul style="list-style-type: none"> • Procurement, paybill, income generation & facilities savings on track
17. Phase two corporate efficiency programme	<ul style="list-style-type: none"> • Reported through the Efficiency Panel & Board 	<ul style="list-style-type: none"> • Procurement & HR savings being subsumed within phase three
18. Identification of other/future opportunities as well as broader transformation: <ul style="list-style-type: none"> a. Actively seek new opportunities or explore existing ones b. Pursue broader transformation & service redesign around customer/community value 	<ul style="list-style-type: none"> • CMT • Supported by the Efficiency Panel & Board 	<ul style="list-style-type: none"> • Three new efficiency workstreams proposed (see 22-24 below)
19. Children's Services 2010/11 in-year grant reductions		<ul style="list-style-type: none"> • Plans approved in July & in the process of being implemented
20. PBRS & CCRA merger	<ul style="list-style-type: none"> • Small joint merger team • Report to Cabinet & CMT 	<ul style="list-style-type: none"> • Merger options & business assessment progressing well
21. Joint commissioning: <ul style="list-style-type: none"> a. Greater joint commissioning b. Integration of these functions c. Developing new markets or opportunities d. Development of shared services (particularly in the health sector) 		<ul style="list-style-type: none"> • Proposed new efficiency workstream
22. Learning, training & development: <ul style="list-style-type: none"> a. Map current activity/spend b. Consider new models of provision 	<ul style="list-style-type: none"> • Small team 	<ul style="list-style-type: none"> • Proposed new efficiency workstream
23. IT costs: <ul style="list-style-type: none"> a. Opportunities to reduce IT costs (as opposed to management & structure) 		<ul style="list-style-type: none"> • Proposed new efficiency workstream

Proposed Cabinet Progress Report Dates

September – 27/9/10	October – 25/10/10
<p>1. Approach: What Members agreed in July and the approach taken to implement</p> <p>2. Progress:</p> <ul style="list-style-type: none"> a. 'Recruitment moratoria & impact' b. Early progress in 'reducing senior manager costs' <p>3. New: Proposing additional efficiency workstreams</p> <p>4. Update/steer: Direction of travel in relation to some of the key efficiency workstreams</p>	<p>1. Progress:</p> <ul style="list-style-type: none"> a. Further update in 'Reducing senior manager costs' b. Early progress in relation to the 'PBRS & CCRA merger' c. Early progress in relation to 'Income & charging' d. Outline proposed scope in 'Democratic infrastructure' <p>2. Update/steer: Direction of travel in relation to some of the key efficiency workstreams</p>
November – 29/11/10	December – 20/12/10
<p>1. Progress:</p> <ul style="list-style-type: none"> a. 'PBRS & CCRA merger' sign-off b. 'Reducing senior manager costs' sign-off c. 'Communications, marketing & publications' d. 'Reduced costs associated with inspection & regulation' <p>2. Update/steer: Direction of travel in relation to some of the key efficiency workstreams</p>	<p>1. Progress: Progress made in relation to:</p> <ul style="list-style-type: none"> a. 'Integration of professional functions' b. 'Impact of capital expenditure reductions' c. 'Contract negotiations and supply chain management cost reductions' e. 'Democratic infrastructure' d. 'Grant expenditure' e. 'Business services' f. 'Further asset rationalisation activity' g. 'Support & administrative costs' <p>2. Update/steer: Direction of travel in relation to some of the key efficiency workstreams</p>
<p>Reported through the mainstream budget and cash limit process: 'Reduced departmental expenditure limits', 'Area based & specific grants' & 'Review of new expenditure commitments'</p>	