



Efficiency News

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

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

Efficiency Champion's Notebook

Chief Executive of the London Borough of Lewisham and Efficiency Champion for the ODPM, Barry Quirke, provides commentary on the efficiency agenda to date

As the ODPM's "efficiency champion" I am passionate about the need for Councils to be more efficient, and extend their capabilities to do more. So far we have made a promising start. According to the recent efficiency statements councils are likely to make £1.9bn in savings in their first year, well ahead of the targets set by Gershon. However, there is no room here for complacency. Many of these statements rely heavily on budget savings, an approach which will only go so far, as the scope for year on year incremental savings dries up. There is a need for us to be much more radical and to take a fresh look at how we design and deliver local services to meet the needs of our communities.

We now need to build on these firm foundations and explore new approaches and ways of working. This will require both strong leadership and creative thinking to explore the potential for efficiency in removing layers of management, closing services or getting customers to do more themselves. Obviously there are large savings to be made through increased collaboration and initiatives such as shared services. Improvements in supply management and increased collaboration between authorities will help deliver economies of scale. More thought also needs to be given to how we can improve productivity within local government - either through achieving greater output or improving quality for the same use of resources. More can be made of the resources currently available, although I am clear that this is only part of the answer to achieving the scale of efficiency savings required.

However, each approach in isolation is not sufficient to deliver improved efficiency across the board. Councils also need to consider new approaches to delivering services themselves, and move towards more informed dialogues between the community, politicians and managers, considering the value of services which are being delivered and how best to prioritise and allocate resources.

For local government the efficiency agenda raises new challenges and opportunities in re-directing resources to meet new needs, new demands and new priorities. Customers of public services rightly want higher quality services, to a high standard with high degrees of personalisation and choice (particularly if they are not paying for them directly through user charges). Citizens however want public services to be thoroughly accountable through "voice" and politics (particularly if something goes wrong in the design or the delivery of the service). Taxpayers want public services to be more efficient and designed and delivered at lower cost. Thus any efficiency drive can only be but one aspect of a wider modernisation and reform agenda for public services.

The potential exists for improved, efficient public services to meet the needs of local communities and inspire public confidence – if we are receptive to the opportunities for change and new ways of working which are open to us today.

News from the ODPM

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

The revamped [ODPM Website](#) was launched at the end of October and this has involved changes to the addresses for most pages on the site. The section on local government efficiency, which includes all the Annual Efficiency Statements that are submitted to ODPM and the principal guidance documents that we have published, is now located at: <http://www.odpm.gov.uk/index.asp?id=1134484>

It should be remembered, though, that the principal website for local government efficiency information remains the [National RCE Website](#), at: www.rce.gov.uk
This site hosts the full set of efficiency guidance and measurement toolkits published by central government departments and the case studies prepared by RCEs. It also contains a lot of other useful news and information, including links to each of the individual RCE websites.

The **2005/6 Mid-Year Update Annual Efficiency Statements** were received in November and have provided useful information on whether local authorities are still on course to meet the expectations for efficiency gains that were set out in the Forward Look statements. Overall, the picture is positive and suggests that councils are still on course to achieve £1.9bn of efficiency gains by the end of 2005/6; significantly ahead of the £1bn target set.

The statements should have been published on the efficiency section of the ODPM website by the time this "Efficiency News" goes to print and a more detailed review of the results is included later in this issue.

The **Organisational Development Resource Document for Local Government**, produced by SOLACE Enterprises and Swiftwork as part of the ODPM/LGA Capacity Building Programme was launched at a special event on 1 November. The event saw a number of speakers describe how organisational development approaches have helped achieve real and lasting change in their organisations, and helped attendees to discover the tools and techniques that can be used to repeat that effect elsewhere.

The Minister for Local Government, Phil Woolas MP, spoke at the event and said:

"Reforming the way that local government works is not just the task of HR managers but of the entire organisation. This is because many of the changes required to bolster local government's workforce are large scale, cultural and cut across every single department. Councils need to move away from rigid structures by focussing on results rather than processes – delivering even better services to the communities we're here to serve."

More information, including a copy of the resource document can be found at:
<http://www.solaceenterprises.com/odpm>

“Review of the 2005/6 Mid-Year Update Statements”

In November, more than 160 councils submitted a Mid-Year Update statement, many of them voluntarily, reporting on the progress that they were making towards delivering the efficiency gains planned in the Forward Look statements submitted in April. This article looks at what emerged from these statements.

The Mid-Year Update (MYU) statements allow local authorities to revise their expectations of the value of efficiency gains likely to be achieved during the course of the year from those set out previously in the Forward Look. Where revisions are substantial, then those changes should be explained in accompanying text.

They also report the value of efficiency gains achieved in the first six months of the year and an estimate of the value of gains that will have been achieved by the end of the year since 2004/5. As with other Annual Efficiency Statements, they encompass efficiencies from all areas of local services except schools, fire and police which are subject to separate reporting arrangements.

Not all local authorities were required to submit a MYU statement; for district councils and any council rated "Excellent" under CPA, it was a voluntary matter. Only 103 authorities were required to submit a statement, all of which did so, but a further 61 councils chose to do so voluntarily, which was a very pleasing response and demonstrates once again the very positive way that local government has responded to the efficiency agenda.

The statements show that for the 164 councils involved:

- £419m of efficiency gains have already been achieved in the first six months of 2004/5
- £818m of efficiency gains are expected by the year end (of which £623m will be cashable)
- This compares to the expectation set out in the 2005/6 Forward Look statements of £855m (of which £647m was cashable)
- By the end of 2005/6, cumulative efficiency gains are expected to be £1,366m (of which £1,030m will be cashable)
- This compares to the target set by Government of £774m (of which at least £387m should be cashable)

As can be seen, the expectations for this year have been scaled back slightly, but overall councils are still on track to deliver the vast majority of the efficiencies originally identified and are still well ahead of the targets set. This is very good news; it suggests that the Forward Look statements were realistic assessments of what was achievable and that councils are successfully putting their plans into practice.

It should be remembered that the Forward Look statements were the first to be completed by councils and were submitted only shortly after the initial measurement guidance was released. A closer look at the MYU statements bears evidence that councils have taken on board the points made in recent guidance documents when revising their expectations and many of the reductions in expectations are due to reassessment of what actions are eligible as efficiency gains.

Councils have also moved many of their activities from the crosscutting rows to the service sector rows in line with the guidance request that this be done wherever possible. This makes comparisons with the 2005/6 Forward Look statements more complicated, but overall no sector appears to be significantly behind expectation. The table below compares the data for the 164 councils that submitted a Mid-Year Update statement only:

Area of Activity (Lead Department in brackets)	Gains Expected in 2005/6 (£m)	
	Reported in Forward Look	Reported in Mid-Year Update
Service Sector		
Adult social care (DH)	131.2	126.8
Children's services (DfES)	59.8	56.5
Culture and sport (DCMS)	31.8	29.9
Environmental services (Defra)	60.8	61.6
Local transport (highways) (HA)	56.1	35.6
Local transport (non-highways) (DfT)		18.3
LA social housing (capex) (ODPM)	56.9	27.8
LA social housing (other) (ODPM)		46.3
Non-school education services (DfES)	35.2	36.3
Supporting people (ODPM)	32.0	36.7
Homelessness (ODPM)	7.7	7.8
Crosscutting Workstream		
Corporate services (ODPM)	141.3	128.0
Procurement (ODPM)	88.9	88.0
Productive time (ODPM)	44.8	36.9
Transactions (ODPM)	23.2	24.4
Miscellaneous (ODPM)	84.6	57.2
GRAND TOTAL	855.0	818.1

Note that the Forward Look statement did not split Local transport and LA social housing efficiency gains in the way applied to the Mid-Year Update statements, which is why the data for these two sectors are shown combined. This new row arrangement will be applied to future Annual Efficiency Statements.

These statements will provide further evidence for central government and the Regional Centres of Excellence about where councils are looking for gains and where any difficulties are being encountered, thereby enabling the provision of better and more focused support. They will also help the process of developing and improving the measurement guidance and toolkits, which are being updated to support the submission of statements in 2006.

‘Productive Time’ – An Introduction

Productive time is time during which the work undertaken directly ‘adds value’ to meeting customers’ needs.

A definition agreed by the Local Government National Productive Time Advisory Group (PTAG) set up by ODPM to identify with key local government stakeholders ways to support local authorities in increasing the productive time of employees.

What work and which particular activities ‘add value’ will depend on the objectives for services (outputs) being delivered. A guiding principle for managers making judgements about resourcing ‘value added’ activity is whether the recipients of services would be likely to agree that a particular contribution or activity (an input) actually helps them. When this type of thinking is applied, everything else being done is potentially ‘waste’ and should as far as possible be stripped out.

When delivering public services, ‘value’ is typically added when appropriately skilled people spend appropriate amounts of time *with and/or helping* individuals who use or benefit from services. However it is recognised that ‘value’ can also be added indirectly - when work is done to *support* those who are delivering at the frontline. E.g. in so-called ‘back office’ and corporate support functions.

The trick is managing time and resource deployment proactively in order to achieve the appropriate *balance* in the eyes of individual citizens & other stakeholders.

PTAG has identified a model that may help managers in local authorities make judgments about the ‘right’ proportions of time consumed by broad areas of ‘activity’. The model represents **3 main types of service delivery cost.**

These typically accrue from:

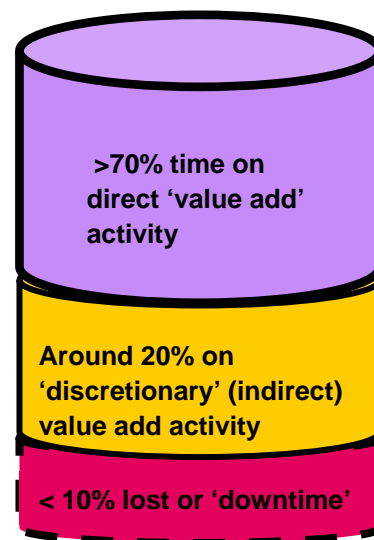
The most efficient organisations typically aspire to

:

Core activities (costs that directly add value to an end product or customer service)

Discretionary activities. (these costs do not directly add value but their removal is likely to add further costs. Activities are likely to include corporate support e.g. HRM, IT, R&D, any quality assurance/checking activity);

Non ‘value-add’ costs (from any ‘down time’, reworking due to errors, absences, travelling, red tape, duplication/overlap of roles & responsibilities, any wasted effort accruing from poor processes/job design, etc). In local authorities somewhere between 7 and 9% on average of available time is lost to official sickness absence alone. A significant proportion is stress related



Practical options for positively changing the deployment of resources are very wide-ranging. They include streamlining processes, better use of technology, greater mobility, flexible working practices, as well as tackling the multitude of reasons that can cause staff productivity to suffer. The model provides broad definitions and is a potential framework against which to judge one potential course of action over another in relation to the potential for positive impact on service delivery.

Forthcoming guidance

The LG Employers Organisation will be launching comprehensive guidance about making productive time improvement on their web site in early 2006 which is expected to include

- information from the Annual Efficiency Statements outlining the wide range of productive time improvement action that is being taken by all councils;**
- ideas and opportunity checklists for Members, Service managers and HR managers.**

In addition, a commission is shortly to be let by ODPM with the aim of supporting local authorities in identifying and developing VFM initiatives that can help to optimise 'productive time'. Many initiatives are indicated in the first 2 rounds of the Annual Efficiency Statements, although other sources including NOMAD and the Employers Organisations will be used. The aim of the commission is to find and disseminate existing exemplar projects that align with the three elements of the model. The proposed case study-based guidance emanating from this work is expected to be available in early 2006.

In the meantime further information may be sought from:

Julia Vernalls @ alg.gov.uk (London Centre for Excellence)

Joan.Munro@lg-employers.gov.uk

www.projectnomad.org.uk

Nicky.jackman@odpm.gsi.gov.uk

Efficiency in Environmental Services

As local authorities face up to the formal targets for efficiency gains, at the same time as tackling the huge challenges involved in delivering recycling services and changing the way residual waste is managed, the prospects can seem pretty daunting. But is it really such bad news, or can something more positive be achieved?

At its heart, the efficiency agenda represents an opportunity: a chance to identify resources capable of reinvestment in the frontline or to hold down Council Tax. In Environmental Services (waste management and street cleansing), this means that improved efficiency should allow authorities to redirect the resources that are released to support the delivery of improved services and infrastructure

– helping to meet their ambitions to set-up and boost recycling and more sustainable ways of managing waste.

If the first returns under the Annual Efficiency Statement (AES) process are anything to go by, many local authorities do seem well prepared for identifying efficiencies in their waste management and street-cleansing functions, but the key areas where there is scope for significant efficiencies may bear repeating.

Defra's new Waste Performance and Efficiency Grant is providing some additional funding to local authorities to support the delivery of their waste management functions. Advice is also available on the best ways to invest this funding, including strong encouragement to consider whether awards can be combined and used to support more effective partnership working. Collaborating provides a golden opportunity to share know-how and, where appropriate, to pool and even reduce the resources that go into procurement.

For example, the view that efficiency gains can be achieved by greater degrees of collaboration between councils – including effective joint working between waste collection and waste disposal authorities – is becoming increasingly widespread. There are plenty of examples which show that co-operation between local authorities can work well – often through collaborative procurement or joint service delivery arrangements for some waste management services.

As one example, the Shropshire Waste Partnership is close to procuring an integrated waste collection and disposal contract. Over twenty other large waste management contracts have either been signed or are in the procurement process. Collaboration in various forms, towards efficient and cost-effective service delivery, is at the heart of them all. Case studies show that efficiency gains of between 10 and 15% may confidently be expected from collaborative deals.

Defra's Waste Implementation Programme (WIP) is one of a number of bodies providing guidance and advice to local authorities to help improve procurement skills and support successful engagement with the process overall. A range of advice is available, including help with contract design and negotiation to save time and money, and feed into efficient and effective contracts with industry and/or community groups.

With some exceptions for high-performers, local authorities in two-tier areas now need to put in place a joint municipal waste management strategy. This should provide a further platform for looking at collaborative working – to help in promoting better joint strategic planning and decision-making. Defra is issuing policy and practice guidance to help local authorities put in place effective and comprehensive strategies.

For example, in two-tier areas there may be scope to implement joint initiatives that support delivery of the waste disposal authority's obligations under the Landfill Allowance Trading Scheme. Alternatively, it may be possible to use the awards as an opportunity to look at establishing or improving local governance structures and decision-making arrangements for joint working. At the operational level, the grant could be used to implement common branding or common levels of service provision, to strengthen arrangements for shared operations or back office functions, or to look at joint procurement of waste collection or disposal services.

The publication of the planning guidance PPS10 by the Office of the Deputy Prime Minister (ODPM) has provided a great opportunity to ensure that planning and strategy processes can be closely

integrated. All of this should help local authorities to plan more effectively and get the waste facilities on the ground that are needed to deal with waste that is being diverted from landfill.

In the last few months, communication from Defra about efficiencies has become more active. The street cleansing guide “Achieving improvements in street cleansing & related services” has been published.

WIP has also published the Defra Environmental Services Efficiency (DESE)-Toolkit to help local authorities identify and calculate the Gershon efficiency savings that are being achieved (see <http://lasupport.defra.gov.uk> or www.rcoe.gov.uk)

We hope that the toolkit will help authorities to forecast, calculate and demonstrate the gains that have been achieved. It should also help authorities to understand how efficiency sits with meeting wider council objectives on Environmental Services, which may be important in planning local waste management strategies.

The recent returns by local authorities under the AES process show that considerable progress is being made in delivering efficiency gains in the Environmental Services area already.

From November 2005 to January 2006, Defra and the Regional Centres of Excellence (RCEs) are running a series of free regional Road Shows under the title “*Efficiency and Transformation in Environmental Services*” (contact wip@defra.gsi.gov.uk for more information).

The objectives of these Road Shows are:

- To present information and guidance on efficiency and transformation in Environmental Services, and signpost who to go to for assistance;
- To provide feedback on the direction and status of the local authorities and RCEs in terms of efficiency improvements in Environmental Services;
- To outline the DESE-Toolkit for completing Annual Efficiency Statement returns, and take feedback on its current and future usage;
- To conduct workshops on local issues, emerging good practice, the Waste and Resources Action Programme (WRAP), and emerging findings from the Second Kelly Market Review (market shaping analysis of the waste management market).

Our aim, in Defra, is to support the transformation and efficiency agendas by providing the right kinds of advice and support to local authorities.

It would be a mistake to pretend that these agendas do not present a considerable challenge, but together there is a great opportunity.

We can meet the targets and, more importantly, move towards more effective, efficient and sustainable Environmental Services.

More information on the Efficiency Agenda, and what it means for local authority Environmental Services, is available on the Defra websites – www.defra.gov.uk and <http://lasupport.defra.gov.uk>. For more general background on the Efficiency Agenda, see www.odpm.gov.uk .

Update from the North West Regional Centre of Excellence

The NWCE – it's working together. The North West Centre of Excellence has recognised that 'it's good to talk'!

Good communication, in its broadest sense, is contributing hugely to the effectiveness of the partnerships working together in the region and the NWCE's significant success stories are being talked up across the region.

The NWCE has widely promoted the benefits of its projects via a series of conferences, workshops and seminars with partners. These have enabled them to share information, advice and best practice, as well as communicate its achievements so far.

A recent calendar of events reveals that the NWCE has, among others, held a Members' conference in January to update them of NWCE progress, organised a joint event with DEFRA with more than 70 attendees from across the region, held several efficiency workshops, jointly with IDeA, for the East Lancashire Leadership Programme, supported training for elected members in Cumbria through 4Ps, carried out a presentation to the Public Transport Consortium and led an efficiency workshop at the NWIN conference. The NWCE has also established, and is taking the lead on, a regional communication partnership with NWIN NWeGG, North West Employers' Organisation, NWDA and GONW.

Miranda Carruthers-Watt, Assistant Director of the NWCE, says the success of the NWCE is down to the commitment of the partner authorities to the sharing of information. "The NWCE simply would not work unless all partners were firmly behind what we are trying to achieve and recognising the benefits of sharing information and best practice. Their belief in the Centre is being justified by the success stories we are generating."

Director Colin Cram, comments: "Encouraging more collaboration between councils has already seen the beginnings of a number of projects that should deliver cost savings in the future. In addition, the sharing of best practice among local authorities has seen several projects that are focused on improving services beginning to bear fruit."

And he added: "The number of local authorities engaged in collaborative working on at least one project has reached 80 per cent – a mark of the level of commitment to the NWCE – and we are, rightly, proud of some very encouraging early wins, detailed below."

- The potential value of waste disposal contracts has been identified at £15 billion over the next 25 years and discussions have been held with key stakeholders to identify the areas and initiatives that can add value and improve efficiency.
- The scope and evaluation of e-procurement methods among all authorities in the region is now 90 per cent complete. In addition, the first e-auctions recently took place with Cumbria County Council making a 50 per cent saving on consumables and Tameside Council saving 40 per cent on a telecommunications contract.
- A major project is underway as part of the collaboration on construction procurement to effect a regional Tarmac procurement contract.
- A total of 28 framework agreements have now been circulated to all North West councils.

-
- A team managing the procurement of placements for looked after children has been established and leads on a £150 million spend in Greater Manchester. Considerable interest has been shown nationally and the project will deliver better outcomes for children at reduced cost. This business model will be replicated in the High Cost Specialist Placements project for adult social care that has recently been approved.

Tameside Council is the host council for the NWCE. Its Chief Executive, Janet Callender, commented: “As a leading council, we have welcomed the opportunity to support and play an active part in the work of the NWCE. The benefits for our communities will be significant both in terms of the quality of service we can provide and the revenue we can generate from greater efficiencies.

“We are determined to ensure that our partners are kept fully involved in all progress, and that all collaborative work is shared. It’s important that we meet and talk to share results and improvement plans. It’s the way to success.”

If you have any queries or want further information on the contents of this article please contact Colin Cram at colin.cram@tameside.gov.uk or on 0161 342 4079

North West Centre of Excellence National Project: Efficiencies in the Area of Local Transport

Garth Goddard, until recently County Transport Co-ordinator for Cheshire County Council, has been seconded to the North West Centre of Excellence to lead a nationwide project to identify potential for efficiency savings in the procurement of passenger transport services. Details of this important project follow below.

Garth is working in partnership with the Department for Transport on developing and disseminating proposals to deliver efficiencies in road passenger transport provision by public authorities. The work will build on good practice identified in existing areas of operation and through consideration of structural changes, both within the public sector operating environment and in the interface between public sector authorities and commercial and voluntary sector transport providers.

Joint working arrangements have been established with the Department for Transport to ensure a co-ordinated and complementary approach in the light of its committed project on work in this area. Given the significance of the journey to school in the spectrum of local authority expenditure on transport and the changes emerging from the recent Education White Paper, it has also been important to establish an effective partnership with the Department for Education and Skills to take the project forward.

Garth said on his appointment in September 2005, “This secondment will be a considerable and challenging change for me in shifting from responsibility for day to day delivery of transport for 25,000 passengers/clients across Cheshire with a large staff of office based and operational personnel, to a focused research-based exercise.

Nevertheless heading the Service in Cheshire has meant my gaining considerable experience over a long time of meeting tight budgetary constraints and delivering efficiency savings through new ways of

working. Co-operation and partnership working with local authorities, passenger transport executives, operators, government departments and colleagues in the Association of Transport Coordinating Officers will be essential to the success of the project, and I look forward to building on the many contacts I have made over the years.”

To contact Garth at the North West Regional Centre of Excellence, please telephone 01244 602900 or e-mail garth.goddard@cheshire.gov.uk.

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.

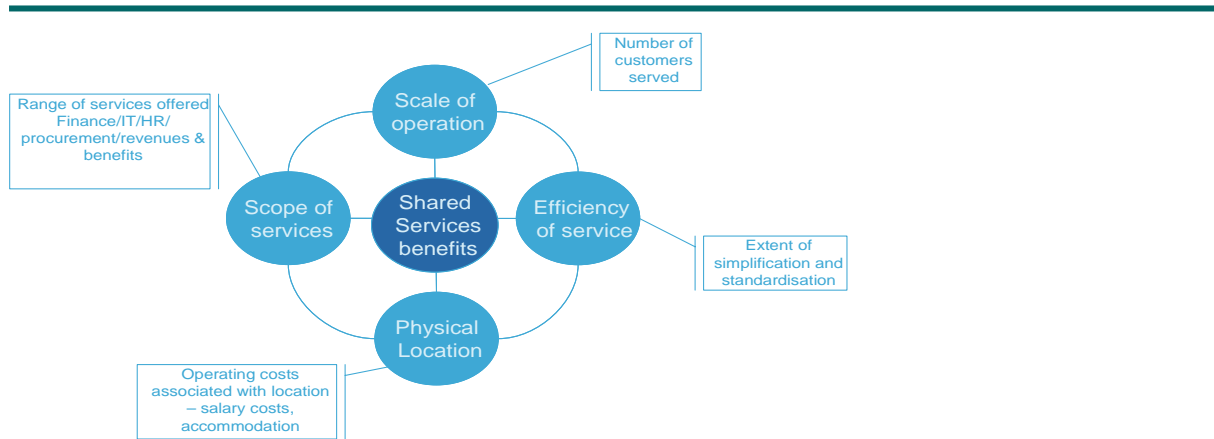
Worcestershire Districts Revenues and Benefits Shared Services

The district councils in Worcestershire explored the opportunity through an outline business case for a revenues and benefits shared services arrangement. The districts wanted to understand whether a shared service approach would deliver significant benefit without there being any deterioration in service standards.

PricewaterhouseCoopers LLP (PwC) were engaged to develop the outline business case on behalf of the district councils. The business case explored the options available, along with their advantages and disadvantages and established the validity of each option. Reflecting upon a number of facets or criteria including, for example, the impact on service delivery, governance arrangements and financial implications, PwC's outline business case assessed the following:

- Strategic Context for the six district councils in outline
- Economic matters – the service need and the options that would best satisfy the overall decision model and criteria.
- Customer access issues and implications for customers that interact with the service - this includes other public bodies, government agencies as well as the citizens
- The Commercial Case – for the role that potential partners/suppliers could play in assisting the councils
- The Financial Case - including affordability and approach to value for money at a high level
- Project management issues

In addition, PwC followed the process illustrated in the diagram below:



The outline business case demonstrated that there is a strong case for a shared services arrangement for Revenues and Benefits within the Worcestershire districts. The districts have recommended that a full business case be delivered to take the initiative forward.

To discuss this project further, please contact Michael Kitts, Director Government and Public Sector at PricewaterhouseCoopers LLP on 01509 604025.

News Round Up

Plymouth's Revenues and Benefits Systems to be Provided by Capita

Plymouth City Council's revenue and benefits service is to be handled by Capita Software Services, in a five-year contract worth £400,000.

Residents will be able to view their own records online, and provide information direct to the council. Plymouth staff will receive full system training support online.

Reproduced with permission of Municipal Journal 21/10/05

Governing Partnerships: Bridging the Accountability Gap

Governing Partnerships: Bridging the Accountability Gap is an Audit Commission report urging local public bodies to evaluate the success of the partnerships they are involved in delivering.

The report cites partnerships involving public bodies such as local authorities, primary care

trusts, and the police as a 'significant' feature of public service delivery and accounting for £4 billion of public expenditure.

Among the recommendations from the Audit Commission's study are that public bodies should review each partnership they are involved in and make decisions to scale down their involvement if the costs outweigh the benefits. They should also tell the public where accountability lies and how redress can be obtained via a joint complaints procedure.

The report excludes consideration of public-private partnerships and the private finance initiative.

The report can be found via the [Audit Commission website](#).

Audit Commission, October 2005

Audit Commission Area Profiles Website

The Audit Commission has launched a website that offers a profile of the quality of life and services for each local authority area.

The project is designed to develop tools to produce an overview and evaluation of the quality of life and services offered in a local area, in order to enable better decisions to be made locally and to support local accountability. The website contains information on the following:

- Area information
- Inspection scores
- Residents' views

The tool can be accessed via the [Audit Commission website](#).

Audit Commission October 2005

The Efficiency Challenge - Administration Costs of Revenues and Benefits

The Efficiency Challenge cites that sharing services and other efficiency

measures could save councils £140 million a year.

The Audit Commission report examines the potential for councils to make savings in the administration costs of revenue and benefits services each year. It highlights that some councils are already taking action to improve efficiency by using a range of initiatives including partnership working.

In addition, the report identifies a number of factors that contribute to higher costs, such as high staff turnover, old IT systems, backlogs and using temporary staff. The study finds that those councils prepared to be more innovative in delivering services can make considerable savings without lowering the quality of services.

The report is complemented by an interactive web tool, which contains a series of case studies. It also provides a practical guide to assist councils in deciding how to secure improvement in transactional services. This tool can be accessed via the [Improvement Network website](#). *The Efficiency Challenge* can be accessed via the [Audit Commission website](#).

Audit Commission
November 2005

(Editorial note: Local authorities will shortly be

receiving a report on their transactional efficiency prepared by VOCA on behalf of their Regional Centre of Excellence. This is a national project led by the Yorkshire & Humberside Centre of Excellence. Further details on this and other projects can be found on the RCE websites.)

New Organisational Development for Local Authorities Tool

The Office of the Deputy Prime Minister has launched a new resource presenting a wide range of Organisational Development (OD) improvement tools and techniques. Using [Organisational Development Resource Document for Local Government - "Transforming your authority, Creating Real and Lasting Change"](#), councils can explore more innovative approaches to change and prepare for new era of greater user choice and involvement. The tools and techniques are spread across six main themes:

- Community engagement
- Whole organisation improvement
- Leadership
- Partnership
- Culture
- Service Improvement

The report also analyses the four different 'schools of thought' on OD improvement:

- People based approaches

- Quality based approaches
- System based approaches
- Dialogue based approaches

This resource offers a range of approaches to suit the differing circumstances in local government.
ODPM, 1/11/05

Liberata Wins Contract to Provide Revenues and Benefits Services

Liberata has been selected by Hounslow LBC to provide revenues and benefits services for a 10-year period. The £50 million contract will involve a TUPE transfer of 100 employees from current contractor, SERCO.

Reproduced with permission of Municipal Journal
03/11/05

Better Regulation for Civil Society

Better Regulation for Civil Society warns that excessive red tape burdens are discouraging voluntary and community sector work.

Some of the recommendations in the report look specifically at charitable regulation. Others focus on improving rules that affect all sectors, but which have a disproportionate impact on the voluntary and community sector. The report also looks at the

'quasi regulation' associated with funding.

The report by the Better Regulation Task Force has been welcomed by a range of organisations, including ACEVO which represents voluntary and community sector managers.

Better Regulation for Civil Society can be found via the [Better Regulation Task Force website](#).

Better Regulation Task Force, 01/11/05

4ps Joint Procurement Report

4ps, the local government procurement expert, has published [Joint Procurement or Procuring Jointly](#). This report provides an overview of the legal and policy framework driving authorities to identify improvements in public services and examines some of the current collaborative approaches between public sector partners and local authorities.

The report particularly focuses on Newcastle and North Tyneside Councils' street lighting PFI and London Boroughs of Enfield and Newham Schools PFI project.

4ps, 17/11/05

Campaign to Improve Take-up of Local e-Government Services

Local e-Government Minister, Jim Fitzpatrick, has announced a national campaign designed to raise public awareness and encourage usage of council e-services. The campaign will be launched in early 2006 and will advertise the benefits of accessing council services online.

Since 2002, councils have been working towards e-enabling local services by 2005, under the Local e-Government Programme. [MORI research](#) undertaken for the e-Citizen National Project suggests that 46% of the adult population are predisposed to using council e-channels, yet at present, actual usage lags behind this figure.

The new campaign will seek to utilise this latent demand and support councils in turning citizen interest into actual usage. Post December 2005, raising awareness and encouraging take-up of e-services will become an increasing priority for local authorities, enabling them to release e-Government related efficiency gains.

ODPM, 11/11/05

HM Customs and Revenue Agrees £560 Million e-Government Contract

HM Customs and Revenue (HMRC) has awarded a contract to SCC, the Pan-European technology integrator and service provider, for support with e-Government and efficiency.

The contract is for four years and will be worth up to £560 million. The contract will cover the delivery of supply chain management

services across the technology infrastructure. eGov Monitor, 23/11/05

Local Government Finance Settlement 06/07 and 07/08

Local Authorities in England will receive more than £62 billion in Government grant in 2006/7 and £65bn for 2007/08 - an increase of 4.5% and 5% in those years. This includes an extra £305m in 2006/07 and £508m in 2007/08 in formula grant above what was previously planned.

Announcing the first two-year Local Government Finance Settlement to Parliament, Local Government Minister Phil Woolas said that the continued real terms increase in investment in local government will allow authorities to continue to deliver effective local services.

ODPM 05/12/05

Best Practice - Local Government Franchising

Meeting targets, making efficiency savings, introducing service improvements. These may be the same buzz words heard up and down council corridors throughout the country, but the Inter-Authority Partnership Unit (I-APU), a small specialist business unit created by Kent County Council, is implementing a different way of working that is giving them new meaning.

I-APU has been the driving force behind creating Local Government Franchising (LGF) partnerships. A concept first developed by Kent CC.

LGF is a formal contractual method for improving organisational performance. The methodology behind it allows high-performing councils (the provider) to partner those authorities currently doing less well (the client), but whose management has recognised a need for radical coherent performance improvement. It is already:

- Creating a new market for industry standards for best practice;
- Allowing replication and transfer of best practices between provider and client councils;
- Transforming organisations through a two-way process of peer learning and skills transfer;
- Allowing the provider council to take on a significant interim management role with accountability.

A pilot LGF partnership between KCC and Swindon Borough Council went live on 1 October 2004; its aim being to radically improve the performance of Swindon's social services over a two/three year period. After a predictably tough first few months the partnership has made significant progress during 2005 and is now firmly on target. This has been endorsed by the Commission for Social Care Inspection which announced the award of a one star rating to Swindon BC's social services for improvements made within the last twelve months to its Adults' and Children's Social Care Services.

It was this first LGF partnership programme that led to the creation of the Inter-Authority Partnership Unit. The Unit is arms-length, and although currently hosted by Kent, is financially independent of it. I-APU is funded through the Kent/Swindon contract together with a three-year grant from the ODPM.

I-APU's role within the LGF programme is a supportive one and it has played a crucial role in the Swindon project. When required to do so, the Unit also works with government departments, agencies and other public bodies. It cannot, however, be subsidised by or generate income for Kent County Council; any surpluses temporarily generated must be used to invest in improvement and innovation work that is beneficial to local government as a whole.

The ODPM and LGA see themselves as co-developers of LGF, and are part-commissioners of I-APU. A Funding and Outcomes Agreement between KCC and ODPM requires that LGF and its products are developed and well specified, and that Local Government Franchising learning is shared nationally. I-APU is promoting LGF nationally and specifying what is involved to ODPM so that new provider councils can be invited to obtain agent support and be matched with client councils. A major step in this direction was taken at the recent SOLACE Conference in Edinburgh where I-APU took a stand and fielded a team of people to talk to delegates. This proved successful in raising the profile of LGF.

Products coming out of an LGF partnership, such as that involving Kent and Swindon, will capture and develop what works best to improve council services. They are modelled in both partner organisations in parallel with improvement programmes so that adoption is sustainable, and so that these particular ways of working can be taught and transferred elsewhere.

LGF is providing a unique organisational development process because it doesn't only involve sharing experience and best practice but also, as part of a contract, includes the provider council giving practical help by placing a team of its own people on the ground to work alongside the client council staff. The sharing of this expertise and experience takes place within a structured partnership and through an agreed work programme that is overseen by the I-APU team. I-APU has developed its own programme management approach to bring together the various service projects for the Kent/Swindon partnership.

For the client council the benefits include improved services, enhanced public satisfaction and increased performance ratings – without the need for government intervention - as well as corporate learning and individual professional development.

For the provider council an LGF improvement project is valuable as it is viewed as a contribution towards retaining its top performance rating or a service's Beacon status.

Anyone wanting to find out more about Local Government Franchising or the work of the Inter-Authority Partnership Unit should contact Alex Cole on 07921 037 401 or, alternatively they can e-mail him at alex.cole@i-apu.gov.uk

Information Strategies & Freedom of Information

By implementing an information strategy that refines existing information stores, and collates them inside a central space, councils can make major efficiency gains. They can also more easily identify problem areas in their business processes, and gauge public interest in services that are not currently provided but perhaps should be. John Hayes, Director of the IDeA believes information strategies can help councils to more easily track down information in order to comply with Freedom of Information (FOI) requests from the public.

Implementing Strategies

Although there is some legislative requirement for local authorities to implement information strategies, such strategies should not necessarily be uniform across local government. In the first instance, individual authorities must understand the specific value they place on certain information and how this information will be used. Then an information strategy and accompanying system that suits the unique needs of the authority can be designed.

As a starting point, an information strategy should have a central coordinator. This person can serve as a point of contact for all parties involved in implementing the strategy, and will lead the information audit of the organisation. By assessing all information contained within the council, putting a value on it, and weeding out redundant or duplicated information and business processes, this audit alone has the potential to make major efficiency gains.

Once the council has a handle on its information, technology will need to be selected to store this information and allow sharing between users of the system. Such a system could operate from a central server or, depending on the size and structure of the council, could be comprised of several separate departmental systems. Either way, technology should be selected that fits the informational needs of the council, not the other way around.

It is important to recognise that an information strategy is not just about managing workflow. A comprehensive strategy will cover all information generated by the council, from long-forgotten archived documents to seemingly trivial email correspondence. Each of these items must be centrally managed and evaluated.

FOI Requests

So where does FOI fit into all of this? The Freedom of Information Act came into force on January 1st this year. It was introduced to make public authorities more open and accountable, and confers a general right of public access to information held by these authorities. Due to the relative newness of the Act, local authorities are still feeling their way when it comes to FOI requests. As a result, there is much confusion and frustration in dealing with these requests.

In a recent IDeA survey of FOI officers from 200 local authorities, many respondents expressed annoyance at requesters seeking information for commercial purposes. "It is a very frustrating job,"

stated one respondent, “and having to deal with requests that are mainly from companies ‘touting’ for business is a waste of time.” The survey showed that next to private individuals, commercial organisations were believed to have made the largest number of requests for information.

Despite these grievances, FOI heralds many potential benefits for local authorities. In becoming more open and transparent, councils can increase public trust in their operations. By analysing repeated requests, councils can identify services that need improvement or require more information to be provided to the public. And through the sale of public sector information, councils can generate new income streams.

However, these benefits can only be fully realised if an effective information strategy is in place. Requested information needs to be located quickly and easily, and an information strategy can provide these benefits.

As a complement to existing information strategies and systems, councils may find it useful to implement an FOI logging or tracking system. More than half of councils already use an electronic system for this purpose. A handful even publish contents of FOI requests to an external website (with the names and contact details of requesters removed), in order to increase public transparency and cut down on superfluous FOI requests.

The IDeA’s Freedom of Information e-learning module, developed in partnership with the Local Government Association, can assist authorities in dealing with records management issues and handling requests for information. It is available free to members of the IDeA Learning Pool, which brings councils together to create, access and share targeted e-learning for local government.

Obstacles

Despite its advantages, the implementation of an information strategy is not always easy. One of the biggest obstacles to adopting such a strategy is the sheer cost (both financial and time-wise) of implementation. Information auditing is a highly labour-intensive process. Computer technology is expensive and will take time to set up. And the arrival of a new information system will require all employees to adopt new processes and procedures for recording and storing information.

This leads to the next major obstacle, which is implementing cultural change within the organisation. Staff and service lines used to storing all information on their own computers will have to learn to share this information, and to see the value in doing so. Rather than just collecting information as before, information will now have to be analysed, seeing how to make the best use of the information, and how it can be evaluated to help in improving service delivery.

The benefits of an information strategy may only be fully realised in the long term, so it is important that councils take a long-term view on the issue. Initial effort and expenditure may seem great, but these efforts will be rewarded over time, as information stores build up and FOI requests increase in popularity.

For further information, please contact john.hayes@idea.gov.uk or by phone on 020 7296 6847.

IDeA Digital Inclusion Report

Digital inclusion is a central concern for local and central government. A key question is whether e-Government is reaching socially excluded groups – people most likely to need and use a range of public services. The Improvement and Development Agency IDeA introduce a new report which examines the issue further.

At the e-Champions Conference this year the Improvement and Development Agency (IDeA) launched a report on digital inclusion produced for them by Internet and Electronic Commerce Research Ltd and Citizens Online. This research is supported by the Social Exclusion Unit at the ODPM.

The purpose of the report is to give an overview of local authorities' digital inclusion (social inclusion/ICT) initiatives. The research shows that e-Government and digital technology can deliver many benefits for local authorities and citizens. By providing examples of good practice in this area, the report aims to help local authorities to develop more equitable access and service strategies, and mainstream digital inclusion activities.

The report considers access to services as a key element of e-government. To be effective and efficient, e-government needs to reach people who need local authority services most. These are often the most disadvantaged people in communities - unemployed, people with disabilities, people with language and literacy difficulties, elderly, lone parents etc.

These groups (and others) are recognised as being at risk of a digital divide - not being able to access electronic services, and not having digital literacy skills or motivation. Accessibility is being addressed to a certain extent through web accessibility standards, or legislation such as Disability Discrimination Act (DDA). However, there are serious gaps in understanding the diverse needs of citizens and how to make e-government inclusive. Digital inclusion is core to this.

This report is available free to local authorities and interested stakeholders, and on the IDeA Knowledge www.idea.gov.uk/publications as a free download (pdf).

For further information, please contact john.hayes@idea.gov.uk or by phone on 020 7296 6847.

Useful Links

Modernisation and Efficiency Division

Office of the Deputy Prime Minister
3/G5, Eland House
Bressenden Place
London
SW1E 5DU
E-mail: med@odpm.gsi.gov.uk
Web: [Better Public Services](#)

Office of the Deputy Prime Minister

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

Local Government email contacts and Quick Links

Web:
<http://www.odpm.gov.uk/index.asp?id=1133515>

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.co.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

Office of the Deputy Prime Minister
3/H6, Eland House
Bressenden Place
London
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E-mail: procurement@odpm.gsi.gov.uk
Web: <http://www.odpm.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
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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
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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
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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>

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