

	<b>THE LEADER</b>  <b>8 JUNE 2011</b>	
	<b>Key Decision</b>  <b>Cabinet Portfolio Holder</b>	<b>YES</b>  <b>The Leader</b> <b>Councillor Tom Fox</b>
<b>Corporate Priority</b> <b>Improving the Council</b>	<b>Date of Decision/ Referral to O&amp;S</b>  <b>Deadline for call-in 5.00pm</b> <b>Implementation Date (if no call-in)</b>	<b>8 June 2011</b>  <b>13 June 2011</b> <b>14 June 2011</b>

**REPORT OF: STRATEGIC DIRECTOR (HJ) – 11/268**

**WARDS AFFECTED: ALL**

**SUBJECT: CORPORATE EFFICIENCY REVIEW PROGRAMME - PHASE 1 REVIEWS**

**RECOMMENDATION (S):**

This report recommends that approval be given to the payment of fees as set out in this report to Northgate Information Solutions UK (NIS) for carrying out phase 1 reviews under the terms of the Efficiency Partner contract arrangements into the following service areas:

- Democratic and Support Services including Print Plus
- Finance and Asset Management
- ICT

**REASON FOR RECOMMENDATION (S):**

To provide external support through the Council's Efficiency Partner in progressing the Corporate Efficiency Programme and identifying potential efficiencies that will assist in meeting the required savings of £1.9 Million (minimum) against very tight timescales.

## **HIGHLIGHTED RISKS:**

One of the Council's key corporate risks relates to the need to achieve timely savings/budget cuts and the potential impact on services if these savings are not achieved through a managed process. The implementation of a Corporate Efficiency Review Programme and the use of a Corporate Efficiency Partner is a significant mitigating factor to reduce this risk.

### **1. INTRODUCTION**

- 1.1 At the Cabinet meeting held on 14 December 2010, Members approved that the Council enter into contract with Northgate Information Solutions UK (NIS UK) limited as the Council's selected Efficiency Partner.
- 1.2 Regular reports have been presented to Members on the work being carried out by NIS UK within Customer First, Revenues and Benefits and the efficiencies that have arisen as a result of this work, which will assist the Council in meeting its require efficiency targets of £2.2 million in 2011/12 and improve the performance of these service areas.
- 1.3 The financial challenge to the Council will continue in 2012/13 and beyond, therefore it is vital that work is ongoing to identify further efficiencies across the Council. To facilitate this, at the Cabinet meeting on 18 January 2011, Members approved the call off of a programme of Service reviews including Democratic and Support services, Finance, ICT, Print Plus and Asset Management, and for these reviews to be carried out by NIS UK Ltd subject to a cost to be determined under the terms of the Efficiency Partner contract.
- 1.4 Cabinet also approved that the Leader be given delegated authority to approve the costs arising from the phase 1 reviews of the above areas, subject to the cost being met from in year savings.

### **2. CORPORATE OBJECTIVES AND THE COMMUNITY PLAN**

- 2.1 This proposal contributes to the Aim of "Improving the Performance of our Services and ensuring they provide value for money

### **3. CONSULTATION**

- 3.1 Consultation has taken place and is ongoing with Trade Unions regarding the Corporate Efficiency Programme and the review timetable. Further consultation and communications with staff will take place throughout the efficiency programme including a series of employee roadshows.

### **4. ASSESSMENT**

- 4.1 The scoping for each of the areas to be reviewed has been prepared and a cost for undertaking Phase 1 work has been received from NIS (UK) Ltd.

- 4.2 The scope for Legal, Democratic and Support services includes Democratic Services, Administration, Secretarial and Management Support Services, and Print Plus. Legal services and Procurement are excluded from the process at this time.
- 4.3 The scoping for ICT services includes development and delivery of an IT strategy for the Council, support of the ICT infrastructure, Service Desk provision, development of the Council's website and support and integration of all software applications, etc.
- 4.4 The phase 1 review of Finance and Asset Management includes Accounts, Control, Exchequer, Assets and Risk Management
- 4.5 All key aspects of each of the services will be reviewed and will be the subject of recommendations for improvements. Based on the information collected, a detailed report will be produced identifying key actions to be undertaken, service improvements and potential savings/efficiencies.
- 4.6 The review process will take the form of:
- One-to-one meetings;
  - Desktop reviews;
  - Observations;
  - Analysis of Performance and Financial data
  - Cross-reference with best practice;
  - Agreed communication strategy with staff/ stakeholders;
  - Staff focus groups;
  - Mid-review presentation to discuss provisional findings/ recommendations
- 4.7 The proposals from the phase 1 reviews will be presented to the Council's Corporate Efficiency Board which, in accordance with the governance arrangements, will determine which reviews are to be progressed further to the next stages of phase 2 or 3 reviews/implementation.
- 4.8 The fees for the phase 1 reviews will be made through the risk reward model, where they progress to the next phases, i.e., stages 2 and 3, or payment be made for the phase 1 reviews should the Council decide not to progress or to deliver the efficiencies in house. The report to Cabinet on 18 January 2011 proposed that an efficiency partner reserve would be established to manage the payments due to the performance partner.
- 4.9 The costs and timescales for each of the reviews are as follows:

<b>Review Area</b>	<b>Fee</b>	<b>Commence</b>	<b>Mid Review Update</b>	<b>Final Report Submission</b>
Finance & Assets	£20,000	14th June 2011	w/c 11th July 2011	w/c 25th July 2011
Legal & Democratic	£20,000	14th June 2011	w/c 11th July 2011	w/c 25th July 2011
ICT	£20,000	14th June 2011	w/c 27th June 2011	w/c 11th July 2011

- 4.10 The resources that are to be deployed by NIS (UK) Ltd on the reviews are as follows:
- The review of Finance & Assets will be conducted by two Transformation Managers over the review period.
  - The review of the Legal & Democratic service will be conducted by one Transformation Manager over the review period.
  - The review of ICT will be conducted by a Transformation Service Manager supported by a Northgate ICT Specialist over the review period.

## 5. IMPLICATIONS

### (a) Policy

- 5.1 This report raises no issues that are not within the Council's policy and budget framework.

### (b) Legal

- 5.2 The procurement, monitoring and governance of the reviews will be in accordance with the terms of the Efficiency Partner contract.

### (c) Financial

- 5.3 The financial implications are as detailed in the report.
- 5.4 There are no Staffing Implications, Equality and Diversity Implications, Planning Implications, Crime and Disorder Implications, Health and Safety implications, Environmental implications that arise from this report.



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### **Background Papers:**

None

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT ALAN LAYTON VIA THE ABOVE DETAILS.