



**London Efficiency Challenge**

London Borough of Bromley

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**capital**

**ambition**

# London Efficiency Challenge London Borough of Bromley



## Contents :

	<b>Page No.</b>
<b>1. Executive summary</b>	<b>4</b>
<b>2. Identified efficiency opportunities and Workshop outputs</b>	<b>5</b>
<b>3. Strengths and Areas of Notable Practice</b>	<b>9</b>
<b>4. Actions for Capital Ambition</b>	<b>10</b>

## Appendices:

**LEC Measuring Survey Analysis (Metrics)**  
**Leading Practice Principles**

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### **Acknowledgements:**

- Capital Ambition would like to thank Bromley for taking part in the programme of efficiency challenges across London
- The team are grateful to Bromley for their open approach to the process and their hospitality
- We are grateful to all the officers of London Borough of Bromley that were involved in the process and would like to give thanks to Chris Spellman and his team for their help in organising the challenge, in particular Harriet Martyn who was our main point of contact in planning the challenge.

## 1. Executive Summary

- 1.1. The London Efficiency Challenge is a collaborative enquiry that aims to identify opportunities for efficiency gains in London's authorities. London's authorities have strong and successful regional partnerships which provide an ideal basis to develop and test the challenge methodology. The challenge process has three steps, self-assessment, on-site challenge and reporting. This report brings together the results of all three stages of the process and summarises the opportunities for efficiency gains in the London Borough of Bromley (referred to as Bromley in the remainder of this report).
- 1.2. Bromley has a track record of delivering efficiency gains, which has enabled it to provide good value for money (VfM). Its services generally perform well (with a few exceptions) at lower than average costs. Sound financial management is reflected in one of the lowest council taxes in London (despite relatively low grant funding) and strong reserves. Bromley's CAA organisational assessment for 2009 rated it 'performing well' – exceeding minimum requirements against all aspects of the assessment. It has outsourced a significant proportion of its services as part of its established approach to delivering efficiency and VfM.
- 1.3. Bromley has employed the concept of performance centre managers to ensure financial and performance accountability in service delivery and this has been successful in delivering incremental efficiency gains. It has recognised that it needs to bring together a series of improvement initiatives (Customer access, the One Way information systems project and flexible / mobile working) into a single Organisational Improvement Programme in October 2009. This will be overseen by a programme board chaired by the Chief Executive, supported by a small corporate Organisational Improvement Team. This is underpinned by a set of corporate operating principles (COPs) based on the premise that citizens will be enabled to take responsibility for their own lives, but with support and assistance for those that need it.
- 1.4. To meet the challenges of much tighter public spending in the near future and the assumed 4% cashable efficiencies across councils, Bromley's efficiency plans now need to be more ambitious and delivered with greater pace. The efficiency strategy and programme needs clearer definition with targets for the efficiency gains to be delivered and timescales for achievement to give direction and enable performance management.
- 1.5. This will require strong corporate drive and ownership, with a willingness to confront and overcome the difficulties that will arise and to sustain momentum through a co-ordinated approach across Directorates. Bromley should focus on a few, core projects with the potential to deliver most of its efficiency gains and ensure robust business cases and plans for its property strategy and flexible working; transactional and shared services; customer access and self-service and a strategic sourcing strategy.
- 1.6. Its change management approach would be strengthened by a culture and skills audit, increased efforts to embrace staff innovation and enhanced management skills, ICT and project management capacity. It could also develop approaches that are more inclusive of members, drawing on their commitment and ability to champion and promote efficiency and VfM.

## 2. Identified efficiency opportunities and workshop outputs:

<b>Area</b>	<b>Findings</b>	<b>Recommendation/Opportunity</b>
<b>1.Strategic approach to efficiency</b>	<ul style="list-style-type: none"> <li>• Change programmes brought together within a single Organisational Improvement Programme</li> <li>• I&amp;E will support programme – as Organisational Improvement Team</li> <li>• Improvement &amp; Efficiency Committee established – Chair is member ‘efficiency champion’</li> <li>• Traditional outsourcing and departmental efficiency gains now offer diminishing returns (£3.6m cashable 08-09, £5m in 09-10 then lower annual gains)</li> <li>• Efficiencies delivered through council tax setting and (departmental) budgets</li> </ul>	<ul style="list-style-type: none"> <li>*Efficiency programme needs clearer definition with explicit targets and timescales to give direction and manage delivery</li> <li>*Strong leadership and a corporate approach will be required to deliver the savings needed in future</li> <li>*Need more effective and inclusive member engagement to ensure clear and consistent leadership of change</li> <li>*Involve and value staff and encourage innovation</li> <li>*Enhance managerial skills and ICT and project management capacity</li> <li>*Better use of insight information to improve performance</li> <li>*Clear focus on a few key projects that will deliver major efficiency gains (the ‘80:20’ rule)</li> <li>*Ensure you identify and deliver cross-cutting efficiency savings</li> <li>*Example transformation programmes – Camden, Barking &amp; Dagenham, Enfield</li> </ul>
<b>2. Flexible and mobile working and property use</b>	<ul style="list-style-type: none"> <li>• Metrics suggest high cost / low utilisation of property</li> <li>• Strategy and plans appear well developed to rationalise assets, including equipment and facilities needed</li> <li>• Invested time and effort to develop good relations with PCT to help achieve co-location as a basis for further joint working</li> <li>• Staff need reassurance that management culture will support flexible working</li> </ul>	<ul style="list-style-type: none"> <li>*Critical to support culture change needed to support new ways of working – need confidence to manage by outcomes</li> <li>*You are well placed to deliver this project as an exemplar of how Bromley can change – make sure you drive it through</li> <li>*‘Richmond Works’ accommodation strategy is at benefits realisation stage for improving property utilisation</li> </ul>

<p><b>3. Customer access</b></p>	<ul style="list-style-type: none"> <li>• Metrics suggest average levels of satisfaction with contact, but bottom quartile for 'phone contact</li> <li>• Limited transactional capability of website</li> <li>• Customer contact centre being developed</li> </ul>	<ul style="list-style-type: none"> <li>* Customer contact centre should be expanded, with a corporate and co-ordinated approach to strengthen business case</li> <li>* Programme to improve customer access should be underpinned by more information and insight into customer requirements through greater community engagement</li> <li>* A transactional website is required as a priority to enable migration to lower cost channels. This needs momentum and resources – ensure the joint tender with Lewisham helps to provide this</li> <li>* Consider further opportunities to widen customer access, for example through libraries</li> <li>*Hammersmith &amp; Fulham potential good practice example – Customer access strategy won 2007 Local Government IT excellence award, see <a href="http://www.lbhf.gov.uk/Directory/News_Archive/Press_releases/2007/87836_Council_scoops_award_for_excellence.asp">http://www.lbhf.gov.uk/Directory/News_Archive/Press_releases/2007/87836_Council_scoops_award_for_excellence.asp</a></li> </ul>
<p><b>4. Back office productivity and purchase to pay</b></p>	<ul style="list-style-type: none"> <li>• Metrics suggest relatively low proportion of payments made electronically and high cost per invoice processed</li> <li>• Progress made on electronic payments through increasing use of BACS</li> </ul>	<ul style="list-style-type: none"> <li>* Need to do more to encourage electronic payments to the council – by raising profile and widening facilities</li> <li>* Significant potential for joint working between local government and the NHS. Work to achieve co-location with the PCT provide a basis to take advantage of this</li> <li>* Camden and Hammersmith &amp; Fulham may provide good practice examples for e-auctions / purchase to pay</li> </ul>
<p><b>5. Joint working and shared services</b></p>	<ul style="list-style-type: none"> <li>• Collaboration on a number of back-office services (eg. fraud with Greenwich, SEN transport with Bexley / Lewisham)</li> <li>• Consolidated income and payments (I&amp;P) processing within the council</li> <li>• Understand need to develop both member / board and officer support across potential partners</li> </ul>	<ul style="list-style-type: none"> <li>* Consolidation of I&amp;P processing gives a good basis for extending this in other areas such as transactional HR and internal shared services centre</li> <li>* Ultimately this could lead to a shared service model for back-office transactional services or a business process outsourcing (as part of a strategic sourcing strategy)</li> <li>*Capital Ambition is considering how to assist boroughs across London</li> <li>*IDeA resources on shared services and collaboration - <a href="http://www.idea.gov.uk/idk/core/page.do?pageId=6210975">http://www.idea.gov.uk/idk/core/page.do?pageId=6210975</a></li> </ul>

Feedback from Officers Workshops:

<b>Good Efficiency Practice at Bromley</b>	<b>Areas for Efficiency Improvement at Bromley</b>
<ul style="list-style-type: none"> <li>• <i>Evidence of managers commitment to Bromley – this has helped to achieve efficiency gains to date</i></li> <li>• <i>Managers feel members view VFM as a balance between cost and quality, not just lowest cost</i></li> <li>• <i>Examples of efficiency gains include joint ICT procurement with Lewisham, safer recruitment training for children’s services attended by partners, customer contact centre</i></li> <li>• <i>Contracts / tenders now giving greater weight to quality (eg. ICT procurement 60:40 price / quality)</i></li> <li>• <i>Recognition that things will need to be done differently to meet future financial challenges and a desire to be part of the change process</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Incremental, ‘salami slicing’ approach to efficiency has achieved about as much as it can</i></li> <li>• <i>There needs to be a clear, consistent vision from the top – with medium term plans to achieve this vision</i></li> <li>• <i>Changes are not pushed as hard as they should be – eg. more services should be required to use the contact centre</i></li> <li>• <i>Staff see a lack of trust from managers as a barrier to flexible working</i></li> <li>• <i>Indications of a high level of stress in staff and a sense of frustration – managers too busy to lead innovation or listen to staff ideas, poor communication and people skills</i></li> <li>• <i>Bromley said to have a ‘too difficult pile’ – hard decisions can be put off, implementation delayed and projects derailed</i></li> </ul>

### 3. Strengths and areas of notable practice:

The challenge team identified the following areas of good practice that Capital Ambition may like to research, write up and make available to other councils.

<b>Area</b>	<b>Findings/Examples</b>
<b>1. Management of strategic partnerships</b>	<i>Bromley has managed a strategic service delivery partnership for its benefits service, including a change of private sector partners. This was a failing service which its first partnership with Capita was unable to turn around. The council continued to work with this partner while maintaining market interest enabling it to appoint another a partner, Liberata. The service is now achieving satisfactory levels of performance</i>
<b>2. Outsourcing services</b>	<i>Bromley has outsourced a large proportion of services and has developed significant experience in this area.</i>
<b>Context</b>	<i>Bromley's track record in providing generally well performing services with low unit costs and good VfM ratings in external assessments is noted elsewhere in this report.</i>



#### 4. Actions for Capital Ambition:

<b>Area</b>	<b>Capital Ambition Action</b>
<b>Shared services</b>	<ul style="list-style-type: none"> <li>• Consider how to support Boroughs with a number of aspects of shared services including legal and procurement issues</li> </ul>
<b>Links to existing Capital Ambition projects</b>	<ul style="list-style-type: none"> <li>• Look for links between recommended actions and existing Capital Ambition projects -</li> <li>• Use of MIETOOL for benchmarking and savings estimation</li> <li>• Toolkit for Office Accommodation Strategy</li> <li>• Transformation Academy</li> <li>• Customer Insight</li> </ul>
<b>Sharing learning</b>	<ul style="list-style-type: none"> <li>• Feeding findings into the model for an ideal London Borough being developed within the LAPS (Local Area Performance Solution) project</li> </ul>
<b>Metrics</b>	<ul style="list-style-type: none"> <li>• Investigating how to make more comparative data available to Boroughs</li> <li>• Tighten &amp; refine LEC metrics</li> </ul>

**Contact for more information about the London Efficiency Challenge and support from Capital Ambition**

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