

# ***London Efficiency Challenge***

***LB of Bromley***

***13 January 2010***

***Presentation to Chief Officer Executive***

***London Borough of Bromley (Jan 2010)***

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# *The Challenge Team*



- *Jan Willis – Director of Finance (LB of Barnet)*
- *Steve Stott – Internal Audit Manager (LB of Bexley)*
- *Caroline Stanger – Consultant (Capital Ambition)*
- *David Armin – Challenge Manager (IDeA)*

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# ***London Efficiency Challenge LB of Bromley***



## ***Context***

- *Large, outer London Borough with an ageing population*
- *Generally good services at low cost (but some exceptions)*
- *CAA 2009 'performing well'*
- *Low grant, low spend authority with a record of low council taxes (and desire to maintain this)*
- *Sound financial position*
- *Significant outsourcing already undertaken*
- *Recognise need to enhance efficiency and identify savings to meet future financial pressures*
- *Organisational Improvement Programme is bringing together a range of initiatives*

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# Key Findings



- *Sound authority with good understanding of VfM with track record of (incremental) efficiency gains*
- *Your performance centre management model has served you well to date – we believe that you will need a different model going forward*
- *Committed, loyal staff – but high levels of frustration at current pace of change and strong feeling that culture and capacity issues are holding you back*
- *We believe that your plans could be more ambitious and you need to inject more pace to accelerate delivery in key areas*
- *Your efficiency strategy and programme requires further definition and needs to be underpinned by a clear and consistent vision which is owned and visibly supported by the whole political and senior management leadership*
- *We would question whether there is sufficient corporate drive and ownership, and a willingness to confront and overcome difficulties when they arise, sustain momentum and co-ordinate across Directorates?*

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## ***General feedback from staff and managers - Good Practice***

- *Clear evidence of commitment of managers to the authority*
- *Demonstrated ability to deliver previous efficiency targets*
- *Recognition that members understand VfM as more than just cost reductions*
- *Examples of a range of initiatives that are delivering efficiencies (eg. joint ICT procurement with Lewisham, joint training with teachers and social workers)*

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## ***General feedback from staff and managers – Issues and opportunities***



- *Done ‘salami slicing’ – more is now needed*
- *Seeking clear, consistent vision from the top*
- *Opportunities for change not being pushed as hard as they could be – eg. requiring more services to enter the call centre*
- *It’s said that Bromley has a ‘too difficult’ pile – projects easily derailed*
- *Lack of trust seen as a barrier to flexible working*
- *High levels of stress in staff and sense of frustration – staff ideas not listened to, managers too busy to lead innovation, poor communication and people skills*
- *But real desire to be part of change process and recognise need to do things differently*

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# ***Strategic approach to efficiency***



- *Brought together various change programmes within a single Organisational Improvement Programme*
- *Improvement and Efficiency team provides resource to support change*
- *Member engagement through member champion and Improvement & Efficiency committee*
- *Diminishing returns from traditional outsourcing and departmentally based savings*
- *We believe you now need an approach which*
  - *embraces staff innovation where they are valued and involved*
  - *increases capacity in managerial skills, ICT, project management*
  - *makes better use of information insight to improve performance*
  - *concentrate on smaller number of high priority projects*
  - *more inclusive of members*

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# *Flexible / mobile working & property*



- *Strategy and plan appear well developed to rationalise assets*
- *Working with PCT to achieve co-location as a basis for further joint working*
- *Critical to support culture change required to support strategy*
- *Deliver this as an exemplar*

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# Customer access



- *Customer contact centre is a positive step – but needs to expand to include more services*
- *Needs a more co-ordinated approach to make the business case*
- *Underpin the programme with more information and insight into customer requirements by engaging with the community*
- *Council needs to deliver a transactional website as a priority – the programme to acquire this needs to gain momentum and be given sufficient resources*
- *Also need to consider broadening customer access at for instance libraries*

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## ***Back office productivity and purchase to pay***

- *Progress has been made on electronic payments by increasing use of BACS*
- *More needs to be done on encouraging electronic payments to the council – by raising profile and widening the facilities available*
- *Significant potential for joint working with local government and NHS*

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# *Joint working and shared services*



- *Collaborated on a number of back-office services*
- *Consolidated income and payments processing within the Council*
- *This gives an excellent basis for considering other areas such as HR transactional processing and internal shared services centre*
- *Ultimate destination could be a shared service model for back-office transactional services or a business process outsourcing*

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## ***Summary of key actions for consideration***



- **Develop clear and consistent vision**
  - define strategic outcomes
  - set the timeframes
  - put in place performance management and governance framework
- **Focus on a few core projects that will deliver 80% of your savings**
- **Procure the resources to develop business cases**
  - Property strategy and flexible working
  - Transactional and shared services
  - Customer access and self-service
  - Strategic sourcing strategy
- **Define change management approach, which could include culture and skills audit and consideration of member role etc.**

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# ***Actions for Capital Ambition***



- *Consider how to support Boroughs with a number of aspects of shared services including legal and procurement issues*
- *Looking for links between recommended actions and existing Capital Ambition projects*
- *Investigating how we can make more comparison data available to Boroughs*
- *The '34<sup>th</sup>' Borough – what an ideal, efficient Borough would look like*

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# *What next ?*



- *Written report within 2 weeks*
- *Agreeing Bromley's action plan*
- *Use of supporting delivery budget – subject to bidding / approval process*

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