

**To:** Chief Officers  
**Date:** April 2010  
**Subject:** *London Efficiency Challenge – Bromley action plan*  
**From:** Chris Spellman, Assistant Director Organisational Improvement Team

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## **1. Background and introduction**

The London Efficiency Challenge (LEC) was carried out in Bromley over two days in December 2009 and January 2010. The challenge was offered free of charge by Capital Ambition and involved senior managers from other local authorities providing a critical challenge to Bromley in order to identify cashable efficiency savings across the Council.

At the end of the two-day challenge, a report containing the challenge team's feedback was produced and presented to Chief Officers and Members of the I&E sub-committee. From this list of recommendations, Bromley is expected to produce an action plan which can be shared with Capital Ambition.

In its findings and recommendations, the London Efficiency Challenge (LEC) team commended the creation of the Organisational Improvement Team to bring together change programmes across the Council. The findings were also optimistic that the projects that had been chosen to be delivered by the Organisational Improvement Programme (OIP) were the right ones and were in effect the '20%' when applying the '80:20' rule. In fact the main areas that were identified to improve and increase efficiency are projects that the OIP is already focusing on, namely mobile & flexible working/accommodation rationalisation, customer access, e-payments / transactions and joint working and shared services.

However, there were specific recommendations for how to deliver more efficiently and effectively on the five identified projects. Suggestions of actions that could be taken to ensure successful delivery were also outlined. The five identified areas are:

- Strategic approach to efficiency
- Flexible and mobile working and property use
- Customer Access
- Back office productivity and purchase to pay
- Joint working and shared services.

Under each heading, a list of actions will be suggested for COE to consider. Actions will be specific where possible. In some cases, however, specific actions will depend on the adoption of recommendations listed under the first heading: 'Strategic approach to efficiency'. The response to these recommendations needs to be led by Members and Chief Officers.

## 2. Action plan

### 1. Strategic approach to efficiency

Whilst the existence of the Organisational Improvement Programme (OIP) and the nature of the cross-cutting projects being delivered and driven by the OIP were both commended by the LEC team, further opportunities were also identified that would strengthen the programme's strategic approach.

The I,E&E sub-committee already exists to support the OIP and ensure political buy-in from a range of Members. However, more effective engagement with Members would enable clear and consistent leadership of change and carry on ensuring that cross-cutting efficiency savings are identified and delivered.

Additionally, the Organisational Improvement Programme Board was established to support the Chief Executive in making clear decisions and to enable the Chief Executive to present clear investment decisions to COE and Members. The process of providing information on projects within the OIP to the Board should enable clear investment decisions to be made.

Specific actions to improve the strategic approach to efficiency include:

- OIP Team to produce a list of key projects, timescales, milestones and estimated costs by **mid-April**
- Communicate the projects within the OIP, their timescales and any updates to the rest of the organisation via Managers' Briefing and Inform to reach as many staff as possible - **April**  
**Manager's Briefing and next Inform**
- Better Member engagement: AD OIP to receive formal feedback from Leader and Chief Executive's 1:1 and OIP team to receive feedback from AD OIP's 1:1 with Cllr Reddin, Chairman of I, E&E sub-committee. **Immediate effect.**
- Refresh Ideas Aloud – look at other councils' staff engagement schemes (e.g. different themes every month; yearly Dragon's Den event) - **Report to COE post-elections**
- Core training modules for all managers with opportunities to develop / refresh managerial, project management, and ICT skills (some compulsory so that minimum level is achieved across organisation?) – **Managerial and Leadership Framework being developed by L&D and went to COE on 24<sup>th</sup> March for discussion**
- Obtain feedback from councillors' surgeries as a means of customer insight as well as a means of better engagement between councillors and officers – **Incorporate into new Member induction in May**
- Use Cabinet/COE as an informal forum for Chief Officers to engage with Members on the OIP projects. – **Already happening but additionally, efficiency / savings projects should be made standing items on the agenda.**

## 2. Flexible and mobile working and property use

- Decision needed by COE and Members on whether to proceed with refurbishment of Civic Centre site including disposal of Ann Springman & Joseph Lancaster – **COE to make decision by end of June 2010, post-elections and Members to make decision by September 2010, after elections and new Member induction.**
- Ensure that affected teams are consulted and supported through change e.g. simulate different office layouts with teams – **work with teams after Member/COE decision made regarding Civic Centre site**
- Early communication about the project, phases, timescales, which teams are affected through various staff channels at different tiers e.g. Inform, Doug's page, OneBromley homepage, managers' briefings, CMG – **immediately after Member/COE decision has been made**

## 3. Customer access

- Project underway looking at customer segmentation as a form of insight information to inform channel shift to lower cost options. Channel shift survey conducted and segmentation analysis being carried out – **Results presented to Customer Focus Group (CFG) mid-April and will be used to influence decisions regarding channel shift strategy**
- A transactional website is required to take advantage of lower cost channels of communication for customers. In order to achieve this, e-forms must be developed so that customers can do more online. The web upgrade project is underway with a possible joint tender with Lewisham. If the joint tender becomes delayed, then focus should still be maintained on developing e-forms to enable channel migration. **IS to write up investment proposal of work on e-forms by end of April. Assuming agreement by COE, implementation time will be 1 year**
- Street services currently being migrated into CCC – plan to expand further by potentially migrating Registrars, Planning, Landscape – **Street Services migration to be completed by June 2010 – subsequently, migration of other services to be agreed by CFG.**
- Proposal to amalgamate all existing Civic Centre reception points into one single point of contact – **Decision required by COE and Members as to whether to amalgamate existing Civic Centre reception sites into a single point of contact - linked to accommodation and property use strategy therefore same timescales (COE to make by end of June 2010, post-elections and Members to make decision by September 2010, after elections and new Member induction)**
- Part of the options appraisal considering potential locations for a single point of contact looks at the possibility of amalgamating the single point of contact with the Central Library in Bromley, and other town centre locations. This would provide further potential opportunities to widen customer access – **Decision required by COE and Members regarding optimum location of single point of contact – this should be made at same time as decision on property use as they are interlinked (i.e. COE to make by end of June 2010, post-elections and Members to make decision by September 2010, after elections and new Member induction)**

#### 4. Back office productivity and purchase to pay

- E-payments to the Council will be encouraged through development of e-forms which can be achieved through web upgrade (see above) - **Information Services to write up investment proposal of work on e-forms by end of April. Assuming agreement by COE, implementation time will be 1 year**
- The PCT have been confirmed as wishing to share accommodation which puts Bromley in a prime position to take advantage of shared back office services once they are on site – **discussions between Chief Executive and PCT can start immediately to identify any areas where back office productivity could be increased through shared services**

#### 5. Joint working and shared services

- Make more use of LSP for joint working between existing partnerships – **make full use of LSP Executive forum and of existing relationships with partners to identify any areas of duplication and reduce these areas through more efficient joined up working**
- Shared services for back office transactions could be implemented with partners now that the PCT have been confirmed as future tenants. As part of ongoing scenario planning work, the opportunity to share services should be pursued as a priority – **work to commence May 2010**
- Shared services for back office transactions with neighbouring boroughs e.g. LB Bexley – **Chief Executive of LBB to talk to Chief Executive of LB Bexley (and other interested neighbouring boroughs) to identify any opportunities to share services (e.g. same systems used such as CareFirst, Uniform)**

#### 6. Best practice in OLAs / further research

- Other transformation programmes to look at: Camden, Barking & Dagenham, Enfield
- 'Richmond Works' accommodation strategy is at its benefits realisation stage for improving property utilisation
- Hammersmith & Fulham are a potential good practice example – their customer access strategy won the 2007 Local Government IT excellence award
- Camden and Hammersmith & Fulham may provide good practice examples for e-auctions / purchase to pay
- IDeA resources on shared services and collaboration - <http://www.idea.gov.uk/idk/core/page.do?pageId=6210975>

### **3. Recommendations and conclusion**

The London Efficiency Challenge (LEC) served to highlight areas across the Council where the greatest cashable savings could be made. The recommendations that the challenge team made should be heeded and implemented. The recommendations are further endorsed through various local and national perspectives set out below.

The LEC recommendations were reported to COE and to I,E&E sub-committee. Members were generally positive about the feedback and were extremely keen to see actions put in place by officers to implement the findings from the LEC, particularly those around strengthening the strategic approach towards efficiency.

Additionally, the results of the staff survey have recently been published. An action plan is going to be developed and taken forward by a working group made up of staff from all levels of the organisation. However, it is important that the working group also takes account of the LEC's recommendations around staff engagement and incorporates these into their action plan.

Finally the UK's budget deficit and other national drivers around efficiency emphasise the urgency with which the LEC recommendations need to be addressed in order to make further efficiency savings across the Council. A report entitled 'Putting the Frontline First' has been put together by a Local Government Task Force, chaired by the Mayor of Lewisham, Sir Steve Bullock and the Leader of Manchester City Council, Sir Richard Leese, alongside other council leaders and experts from government organisations. The report recommends 10 steps for how councils should protect frontline services during a time when public finances are tight.

- 1.** Using customer insight tools develop a coordinated, customer-centred approach with partners to redesign and share front and back office services thereby reducing duplication and wastage.
- 2.** Engage with all partners and take a Total Place approach to secure value for money outcomes for the customer.
- 3.** Streamline services and design them for the customer, making them more efficient using Business Process Improvement (BPI), LEAN and systems thinking. Explore how new technology can help provide services in innovative ways and reduce duplication and wastage. Implement good financial management, ensuring that financial literacy is embedded in all parts of the organisation. Service managers should be encouraged to pay close and ongoing attention to costs, budgets and financial decision-making to support regular reviews of budgets and medium term financial plans.
- 4.** Adopt the same performance monitoring tools and reporting techniques as our partners; use best practice networking and benchmarking against peers to increase efficiency.
- 5.** Buy goods and services through contracts with other local authorities and the wider public sector and use that buying power to deliver local benefits. Involve the third sector and co-design services. Consider the whole-life cost of a good or service and choose the solution which offers best value for the customer, local area and the council.

- 6.** Asset management – reduce the number of council buildings, especially when looking at sharing services and restructuring the organisation (e.g. providing a number of services with the same customer base from the same building).
- 7.** Obtain workforce data (e.g. sickness absence rate, number and cost of temporary/agency staff) to plan for future pressures and demands. Ensure staff commitment by having robust performance management systems in place to deliver change. Effective two-way communication channels in place so that staff understand what change means to them.
- 8.** Whole systems approach to leadership – the workforce and trade union representatives must be engaged (e.g. give staff the opportunity to improve the service they work for, consult staff that work the closest with customers and tap into their expertise). Create an organisational climate where innovation is fostered and valued and risks are managed.
- 9.** Review the council's management structures to evaluate the necessity of all the layers in delivering effective public services. Look at sharing senior management posts with other councils or the wider public sector (e.g. the PCT) which will support the development of a greater sense of place and joined up services for citizens. Establish clear and robust governance arrangements and values to ensure accountability.
- 10.** Share staff with specialist skill sets between council and partners whilst retaining flexibility. Sharing staff with professional skills can also mitigate recruitment difficulties. The council should also ensure that all staff have transferable skills to enable greater flexibility in deployment, therefore a broader range of duties may be required.

The full report with its 10 recommendations can be found at:

<http://www.communities.gov.uk/documents/localgovernment/pdf/1487350.pdf>

4. Appendix 1 – London Efficiency Challenge team’s findings and recommendations for Bromley

Area	Findings	Recommendation/Opportunity
<p><b>1.Strategic approach to efficiency</b></p>	<ul style="list-style-type: none"> <li>• <i>Change programmes brought together within a single Organisational Improvement Programme</i></li> <li>• <i>I&amp;E will support programme – as Organisational Improvement Team</i></li> <li>• <i>Improvement &amp; Efficiency Committee established – Chair is member ‘efficiency champion’</i></li> <li>• <i>Traditional outsourcing and departmental efficiency gains now offer diminishing returns (£3.6m cashable 08-09, £5m in 09-10 then lower annual gains)</i></li> <li>• <i>Efficiencies delivered through council tax setting and (departmental) budgets</i></li> </ul>	<ul style="list-style-type: none"> <li>*<i>Efficiency programme needs clearer definition with explicit targets and timescales to give direction and manage delivery</i></li> <li>*<i>Strong leadership and a corporate approach will be required to deliver the savings needed in future</i></li> <li>*<i>Need more effective and inclusive member engagement to ensure clear and consistent leadership of change</i></li> <li>*<i>Involve and value staff and encourage innovation</i></li> <li>*<i>Enhance managerial skills and ICT and project management capacity</i></li> <li>*<i>Better use of insight information to improve performance</i></li> <li>*<i>Clear focus on a few key projects that will deliver major efficiency gains (the ‘80:20’ rule)</i></li> <li>*<i>Ensure you identify and deliver cross-cutting efficiency savings</i></li> <li>*<i>Example transformation programmes – Camden, Barking &amp; Dagenham, Enfield</i></li> </ul>
<p><b>2. Flexible and mobile working and property use</b></p>	<ul style="list-style-type: none"> <li>• <i>Metrics suggest high cost / low utilisation of property</i></li> <li>• <i>Strategy and plans appear well developed to rationalise assets, including equipment and facilities needed</i></li> <li>• <i>Invested time and effort to develop good relations with PCT to help achieve co-location as a basis for further joint working</i></li> <li>• <i>Staff need reassurance that management culture will support flexible working</i></li> </ul>	<ul style="list-style-type: none"> <li>*<i>Critical to support culture change needed to support new ways of working – need confidence to manage by outcomes</i></li> <li>*<i>You are well placed to deliver this project as an exemplar of how Bromley can change – make sure you drive it through</i></li> <li>*<i>‘Richmond Works’ accommodation strategy is at benefits realisation stage for improving property utilisation</i></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?pagelId=6210975">http://www.idea.gov.uk/idk/core/page.do?pagelId=6210975</a></li> </ul>